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ABSTRACT

This workbook is a four-part course designed to be taught by working women to low-income working women to increase their skills at managing money. The course sessions focus on special financial concerns of working women: budgeting, education for career advancement, child care, and retirement planning. The sessions are designed as a series but can be offered as independent workshops. Some of the issues dealt with in the course material include the difference in training from childhood between men and women with regard to financial management and the feelings that money inspires in people. The manual contains detailed teaching outlines, participant handouts for each workshop, and a program for training peer leaders to conduct the workshop series. Each workshop is one and a half hours long and is designed to be held after work. Many techniques are used to ensure participation, including small group exercises, case studies, quizzes, brainstorming, and discussion. (CG)

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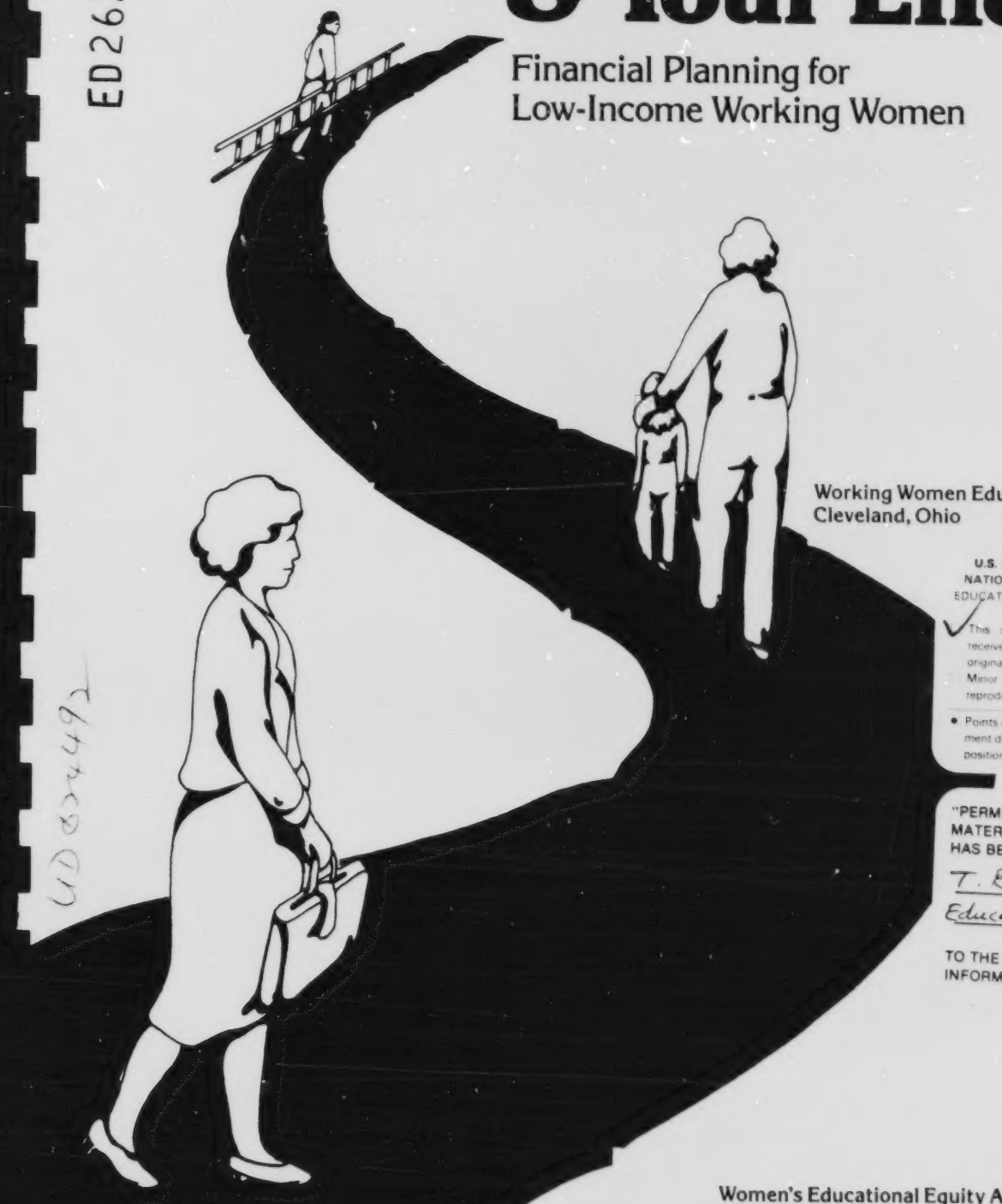
Your Money & Your Life

Financial Planning for Low-Income Working Women



Working Women Education Fund
Cleveland, Ohio

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U.S. Department of Education

YOUR MONEY AND YOUR LIFE

Financial Planning for Low-Income Working Women

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Working Women Education Fund
Cleveland, Ohio

Women's Educational Equity Act Program
U.S. Department of Education
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PREFACE

Your Money and Your Life is a four-part course designed to help low-income working women increase their skills at managing money. Women are entering the work force at a rapid pace. More than 47 million women work outside the home today, compared with 18 million in 1950.

Yet 80 percent of working women are still employed in low-paying, low-status jobs traditionally reserved for women. The average annual earnings of a full-time woman worker were $12,000 in 1982. With inflation eating away at the already low salaries of women workers, managing money skillfully and planning for a secure financial future are critical.

Men have been trained from birth to be money managers--to acquire, accumulate, and distribute money. Women are trained to be consumers; they are encouraged to leave financial matters to men. At the same time, growing numbers of working women face issues such as child care, retirement income planning, and career development with little knowledge of how to proceed.

Money means different things to each of us, and each of its meanings is charged with such emotions as greed, fear, envy, and guilt. Understanding why these feelings exist is the first step toward getting control over our money and our lives.

This course is composed of four sessions, each of which focuses on a special financial concern of working women: budgeting, education for career advancement, child care, and retirement planning. Although the sessions are designed as a series, they can be offered as independent workshops.

We hope that a wide variety of organizations serving low-income working women will use this curriculum. The manual contains detailed teaching outlines, participant handouts for each workshop, and a program for training peer leaders to conduct the workshop series. Each workshop is 1½ hours long and is designed to be held after work. Many techniques are used to ensure participation, including small group exercises, case studies, quizzes, brainstorming, and discussion.

ACKNOWLEDGMENTS

We would like to thank the members and staff of Working Women, the National Association of Office Workers, and our project advisory board members, who read early drafts of this curriculum and offered comments and suggestions. Particular thanks go to Toni Ponzo and the members of Cleveland Women Working, who tested these curriculum materials.

We are also grateful for the encouragement and support of the Women's Educational Equity Act Program staff, particularly Carol Whitten, who took a special interest in our project. Finally, special thanks go to Carol Calliotte and Chris Taylor, who spent many hours typing and designing the manuscript.

TRAINING PEER TEACHERS

Your Money and Your Life is a four-session course on financial planning designed to be taught by working women to their peers. The use of lay teachers develops leadership skills among working women, creates a comfortable, nonintimidating atmosphere for participants, promotes the use of participatory learning methods, counteracts the myth of the "expert," and encourages women to rely on their own knowledge and experience.

To make good use of the lay teaching methods, the leaders must be comfortable with the materials and familiar with teaching techniques and group facilitation. The For the Leader section of this manual contains information on group facilitation skills. In this section sample 1-day or 1½-day training sessions for peer teachers are outlined. The goals of the training session are to prepare participants to lead the workshops and to help them feel comfortable about doing so.

The training session(s) should be led by organization staff members who are familiar with the content of the curriculum. They should also be experienced as workshop leaders or group facilitators. Participants in the training session(s) should include not only the person who will lead a session, but also an assistant leader for each session and other members or staff of the organization who are interested in the program.

The focus of the training session(s) should be balanced between teaching participants the content of the materials and training them to be effective teachers. In the sample training session agendas below, a majority of time is spent role playing each of the four sessions. This gives participants "hands-on" experience with the timing of the session, how the session activities fit together, how the exercises work, and how women like themselves will respond to the materials.

All participants in the training should have the curriculum materials in advance of the training session(s). There are two sample agendas, a 1½-day session (e.g., an all-day session on Saturday and a half-day session on Sunday) or a 1-day (Saturday) session. Because the sessions are intensive, it is important that the surroundings be as comfortable as possible.

In the 1½-day session, which we recommend, 1½ hours are allotted to cover each of the four sessions in the course. It is important to cover the major activities and act out each exercise. Allow time at the end of each session for participants to ask questions and share their reactions.

The trainers should divide responsibilities during the day. Each can conduct two of the sessions or they can divide the activities in each session. During the training there is time set aside for a guest speaker after the role play in the first session. This can be reserved for a guest expert on credit, options for the small investor, or Independent Retirement Accounts.

The section on teaching tips can be led either by one of the trainers or by an outside person such as an adult education specialist. If you can't arrange for an outside speaker, one of the trainers can cover the material included in the For the Leader section of this manual. The material in this section should also be handed out to those participating in the training.

At the conclusion of the training session(s), stress the importance of evaluation and how to obtain maximum input from participants. You may want to prepare a one-page evaluation form and go over it with the trainees.

SAMPLE AGENDA FOR ONE-AND-A-HALF-DAY TRAINING SESSION

DAY ONE

9:00	Introduction Goals of Program Explanation of Materials
9:30	Session I: Making Money More Manageable
11:00	Break
11:15	Guest Speaker on Investments/Money Markets
12:15	Lunch
1:15	Session II: Education and Career Advancement: What Are the Options?
2:45	Break
3:00	Session III: How to Find Quality Child Care on a Budget
4:30	Teaching Tips
5:15	End of Day's Training

DAY TWO

9:00	Session IV: How to Plan for Retirement and Be Glad You Did
10:30	Break
10:45	Evaluations Questions
12:15	End of Training

SAMPLE AGENDA FOR ONE-DAY TRAINING SESSION

9:00	Introductions Goals of Program Explanation of Materials
9:15	Session I: Making Money More Manageable
10:15	Guest Speaker on Investments/Money Markets
11:00	Break
11:15	Session II: Education and Career Advancement: What Are the Options?
12:30	Lunch
1:30	Session III: How to Find Quality Child Care on a Budget
2:30	Teaching Tips
3:15	Break
3:30	Session IV: How to Plan for Retirement and Be Glad You Did
4:45	Evaluations Questions

FOR THE LEADER

HOW TO USE THIS MANUAL

Your Money and Your Life will prepare you to teach a four-session course on financial planning. This manual is divided into four major sections, one for each session in the course. In each section you will find a workshop outline that lists each activity and a suggested time line. The outline also provides an overview of the workshop and lists the materials that are included.

Following the workshop outline you will find instruction sheets for each workshop activity; they define the activity's purpose and provide step-by-step instructions on how to proceed. Finally, each section contains background information for you, the leader, which consists of fact sheets, newspaper articles, and statistical information.

Before giving the workshop you should carefully examine the workshop outline, review the participant handouts, and read the background information. Check the resource list at the end of each workshop; it contains materials that you may order for participants ahead of time. Participant handouts, which follow the workshop activity sheets, may be pulled out and duplicated for participants.

BEFORE THE WORKSHOP

Take some time to think about who might come to the workshop and what their needs and interests might be. Try to be as specific as possible. Imagine a wide range of people. Even though most will be women with low incomes, some may be married, others might have children, and they are likely to be of different ages and races. Some participants may be deeply in debt and feel very emotional about it. Some may have saved several thousand dollars and feel very self-righteous.

The more clearly you can imagine these women, the more sensitive you will be to their different needs and values. It is extremely easy to see things from one's own perspective. You'll want to create an atmosphere in which everyone feels comfortable and feels that she belongs.

Do you think you'll be nervous leading the workshop? Anyone who has not done much teaching or is teaching something new will feel nervous. Think about what you are afraid might happen. Write it down. Now, think about someone you admire or envision yourself the way you'd like to be. How would that person handle or prevent the possible problem? Decide to try this alternative.

For example, let's say that you're afraid to write on the board because you're a poor speller. Rather than never writing on the board or writing

on the board and feeling nervous, you could decide to tell the group, "I'm a terrible speller, so if I make any mistakes, let me know." Then you won't have to live up to any false expectations and you can even make a joke of it.

Or let's say you're afraid the group will find out that you don't know as much as they had expected you to know. You could decide to practice saying, "I don't know the answer to that. Where do you think we could find that information?"

The physical surroundings for the workshop are important. Use comfortable chairs and arrange them in a circle. Have newsprint and marking pens available and put charts or figures on newsprint ahead of time, if necessary. Find an assistant to help you. Make sure that the workshop handouts are collated and ready to distribute. Provide light refreshments.

DURING THE WORKSHOP

What if no one talks? Discussions are successful if many people participate. If no one responds to one of your questions, try another one. You can encourage people to guess. If you're asking how people feel about their jobs or money management but no one responds, rephrase the question. Asking it in the third person often makes discussion easier.

For example, you could say, "What complaints do you think most women have about managing money?" Give an example from your own experience to see if that starts others talking. If all of the above suggestions fail, then go on to something else. Don't try to force the discussion.

It is important to be a good listener. In addition, it is good to plan in advance what you could say as a transition between topics and as summary points. However, these statements must be a spontaneous reaction to what has been discussed. If a careful transition to the next activity or summary of a discussion isn't made, participants can be left feeling that the session is fragmented.

Try to keep activities running as close to the time allotted as possible. You will need to be flexible, though, allowing more time for a discussion that everyone seems interested in and cutting down on something less relevant to them. If you have trouble deciding, ask the group what they want to do.

Try to keep the focus off yourself as much as possible. As a group leader, it is easy to spend a great amount of time responding to each person's comments, answering each person's questions, and giving your own opinions. This produces an unbalanced view.

Facilitate discussion among participants. When someone makes a comment, rather than responding to it yourself, ask if participants have anything to add, or say, "What do you think about what was just said?" You can

follow the same procedure when asked questions: "Does anyone know the answer to that?" "What would you think the answer might be?"

It is very important to know what participants are thinking, to have them share information with each other, and to stimulate them continually to think. The more participants think and talk about the new information, the more they will use it.

COURSE OUTLINE

Your Money and Your Life

A Four-Session Course on
Financial Planning for Low-Income Working Women

Session I: Making Money More Manageable

Participants are encouraged to explore their feelings about money, including how these feelings developed and how they prevent women from gaining more control over their money. Activities include a quiz on consumer credit, information on developing and using a budget, and a discussion of money markets and other options for the small investor.

Session II: Education and Career Advancement: What Are the Options?

In this session participants look at how education can help women working in traditional occupations advance their careers. They will use planning skills to evaluate why they want to go to school and to analyze their educational options.

Session III: How to Find Quality Child Care on a Budget

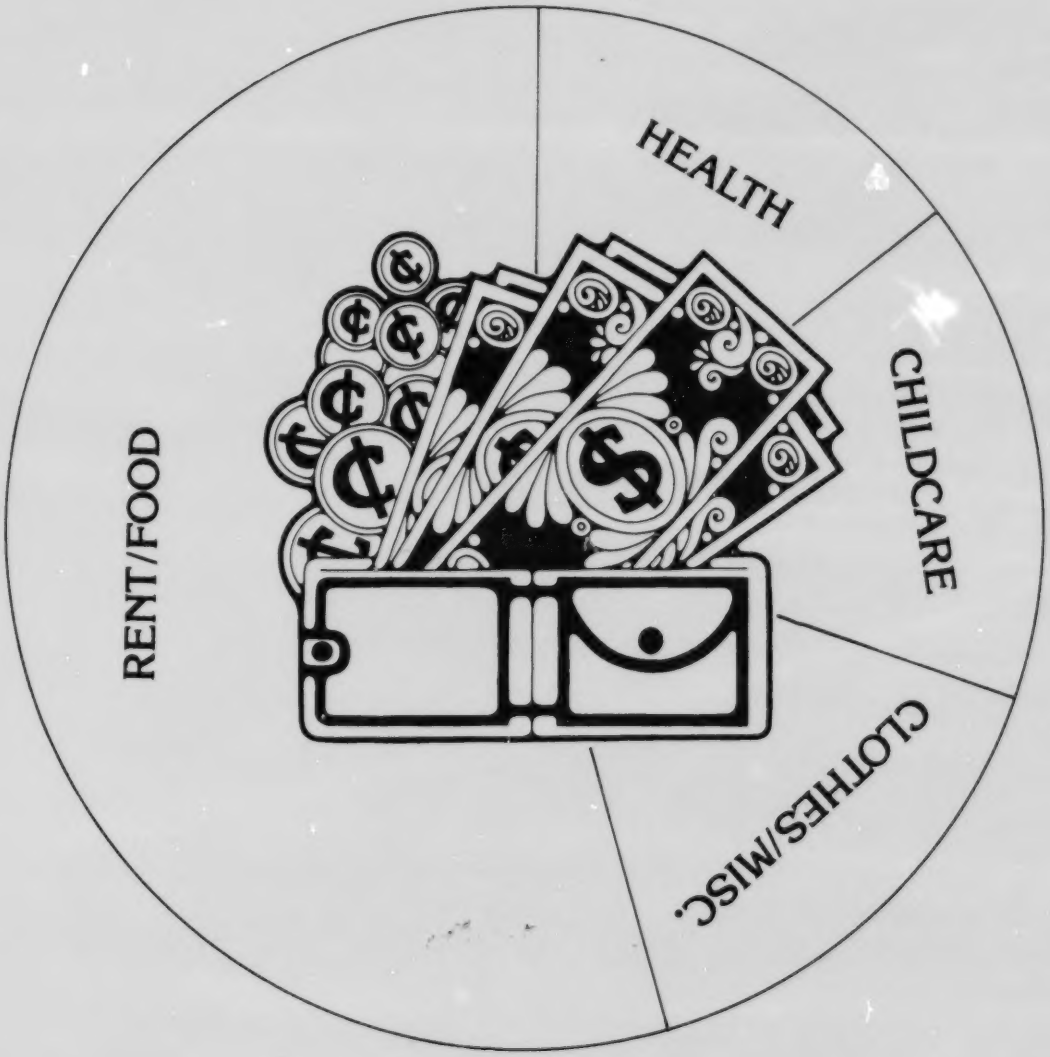
This session describes different kinds of child care, their costs, and how to evaluate the quality of care. Participants in small groups examine case studies of child care problems and discuss the resources that are available to them in their local areas.

Session IV: How to Plan for Retirement and Be Glad You Did

Participants examine their long-range financial goals in this session. They also explore retirement options and investigate and critique their own pension plans. The session also covers Individual Retirement Accounts and long-term investments.

SESSION I

MAKING MONEY MORE MANAGEABLE



SESSION I WORKSHOP OUTLINE

GOALS

- To help participants explore their feelings about money, how those feelings developed, and how they prevent us from gaining more control over our money
- To make the most of a small savings
- To share information about credit

ACTIVITIES	Suggested Time
Introduction: Exploring Attitudes about Money Participants introduce themselves. Leader uses individual exercise and brainstorming to bring out women's attitudes about money and money management.	30 mins.
Making the Most of a Small Savings Leader conducts a large group discussion about cutting costs and increasing savings. Participants share ideas and review Monthly Budget Chart and options for small investors (credit unions, term certificates, money markets, etc.).	30 mins.
Credit Quiz: Managing with and without Money Participants examine their own knowledge about credit laws and interest rates. Group discusses answers to quiz.	30 mins.
Summary and Homework Assignment Leader summarizes what has been covered during the session, discusses homework assignment, and reviews what will be covered the following week.	10 mins.

WORKSHOP MATERIALS

For Participants
Monthly Budget Chart
Developing a Plan for Saving
Credit Quiz: Managing with and without Money
Checklist for Comparing Your Bank to Others
Resource List

Background Information for Leader
Consumer Credit (three articles for background reading)

SESSION I ACTIVITIES

INTRODUCTION: EXPLORING ATTITUDES ABOUT MONEY

PURPOSES

- To introduce participants to each other and create an atmosphere in which they can feel comfortable sharing experiences
- To outline the goals of the session

INSTRUCTIONS

1. Introduce yourself, say where you work, what you do, and why you are leading this workshop. Ask participants to do the same and tell why they are attending the workshop.

2. Describe the purpose of the workshop.

   "This session has been developed to help us learn to gain more control over the money we have. Often, we women think of ourselves as victims when it comes to money rather than exerting control where we can."

3. Introduce the exercise.

   "We're going to explore how some of our attitudes about money developed. Keeping in mind all the different ways your money is spent, write down four statements that begin with 'I should . . . ' or 'I should not . . . ' about what you feel you should or should not be doing with your money."

   When the participants are done, ask them to write a statement for each of the "should" statements that begins "I haven't because . . . "

   Then ask participants to finish this sentence: "With regard to money, I feel good about . . . "

4. Ask people to read aloud what they wrote. Make a list on the board of the "should," "haven't because," and "feel good about" ideas. For example:

I should:	save more
	spend less
	keep a budget
	learn more about taxes
	spend less on clothes
I haven't because:	I'm too lazy, greedy, unorganized, stupid
	I'm too scared to think about money
	it's too boring, confusing

5. Pose the following question:

"Where do our negative feelings about ourselves and money come from?"

List the responses, which might include:

Math was always considered a male subject too difficult and unfeminine for females.

We are encouraged to be consumers (of makeup, perfume, new clothing styles, food items, and household items), not providers. No one has encouraged us to know about taxes, life insurance, or pensions.

I've asked questions about my pension plan at work, and those who responded acted as if I weren't supposed to be concerned about those things.

Our parents' attitudes range from spending a lot and going into debt to saving and never spending anything on fun things like vacations. You could end up dealing with money exactly the same way as your parents, or rebelling and acting the exact opposite way.

Many jokes stereotype the female as a mindless spender of her husband's hard-earned money.

6. Summarize.

"There are many things happening now that make it more and more important for us to gain more control over the money we do have. The cost of living is increasing every year, which means we are spending more in all areas. For women, this is even more of a problem, since in 1982 we made only 63 cents for every dollar earned by a man.

"We also bear more of the burden of raising and caring for our children as well as our aging parents.

"We have been encouraged to know about how to cut food costs and shop for clothing, but have received very little guidance on how to plan for retirement, take out a loan, shop for legal services, or buy a house.

"With new developments in automatic money transfer systems, there is more of a trend to transfer money from one institution to another without its ever passing through our own hands.

"Most of this workshop will focus on sharing information on how to cut costs, increase one's savings, prevent being denied credit, and get low-cost loans."

MAKING THE MOST OF A SMALL SAVINGS

PURPOSE

- To have participants share ideas about budgeting and increasing savings options for the small investor

INSTRUCTIONS

1. Use the following questions to start a discussion about budgeting:

   a. How do you budget your money? Do you keep a written record of your expenses?

   b. Who manages the money? Have you and your spouse/roommates experimented with ways of sharing money management?

2. Hand out the Monthly Budget Chart. Make the following points:

   "Budgeting is one way to help yourself plan how you will save each month. If you've never kept a budget, the first step is to write down every expense for three weeks or so. At the end of the month, list your expenses in categories and total them."

3. Focus the discussion on savings and the impact of inflation.

   "As you can see, there is a space on your budget sheet for savings. How many of you are able to save on a regular basis? With the rising cost of living, it's not easy.

   "The current inflation rate is 6 percent (1983). It is predicted that it will increase to at least 10 percent through the eighties.

   "Unless you have a cost-of-living raise that keeps up with inflation, you are earning less each year. If you don't receive interest on your savings at least equal to inflation, your money is actually decreasing in a savings account, since inflation and taxes can cancel out interest earned."

4. Ask participants to share ideas on how to become better savers or on ways they have helped themselves to save. Hand out Developing a Plan for Saving.

   "It is important to set a goal of how much you want to have saved by a specific date. For example, if you want to save, say, $1000, you can put more in the bank each month and reach your goal sooner, or put less in each month and wait longer for it to earn interest and increase. (Point out what a savings account earns versus higher interest rates that can be earned by investing in other ways.)

"Interest is what the bank pays you for borrowing your money. Compound interest means that you are earning interest on the interest paid to you as well as on your own deposits.

"The interest you would earn on $1000 at 5½ percent annually (5.50 percent) is $55. The interest you would earn on $1000 compounded monthly is $56.41. When it is compounded monthly, the rate is really 5.64 percent."

5. Ask participants if they know how they can get higher interest rates than are paid to regular savings accounts. From their responses, some of the following information will be shared. You can add to what they don't know collectively.

NOW Accounts (checking accounts) earn 5½ percent interest and require that you keep a certain amount of money in your account, such as $500. If you go below that amount, you pay a bank service charge for the privilege of having a checking account.

Bank Savings Accounts earn 5½ percent. Savings and Loan Accounts may earn 5 3/4 percent. These rates change every so often, but generally there is a ¼ percent difference between interest rates at banks and at savings and loan institutions.

Credit Union Savings Accounts may earn 6 percent interest. A credit union is a cooperative association of people with a common bond, such as place of employment, professional association, place of residence, membership in a union or religious group, etc. Many people are eligible for membership in a credit union and don't realize it. The possibilities include churches, clubs, feminist credit unions, civic groups, veterans' organizations, fraternal groups, colleges, and political organizations. If you are married and your husband is a member of any of these, you may be eligible to join the credit union.

Some states have community or municipal credit unions with a membership that is open to all who live and work in a particular area (city, county, or state). There are even credit unions for people with a mutual hobby.

Ninety Day Special Notice Accounts are not a good choice, because you can't withdraw your money quickly if you need to.

Certificates of Deposit or Term Certificates are ways for you to get higher interest on your savings, but have their own problems for you. You must agree not to withdraw your money for a set amount of time, and if you have to withdraw it early, you forfeit some of the interest.

The minimum deposit generally ranges from $1000 to $2000. The following are April 1984 interest rates for a:

6 month certificate	approximately*	9.75%
1-2 year certificate	"	10.25%
2-3 year certificate	"	10.75%
3-5 year certificate	"	11.00%
5-8 year certificate	"	11.25%

Money Market Certificates are relatively new options for the small investor. They provide higher rates of interest than other term certificates. The amount of deposit needed varies from $500 to $2300, and 2½ year certificates earn 11 percent interest.*

There are also 6 month money market certificates that earn approximately 14 percent interest,* but they require a $10,000 deposit. If you need to withdraw your money before the time period is up, you lose interest on the amount you withdraw.

*These rates vary from bank to bank and change according to money market developments.

CREDIT QUIZ: MANAGING WITH AND WITHOUT MONEY

PURPOSE

- To have participants examine their own knowledge about consumer credit and credit laws

INSTRUCTIONS

1. Distribute the Credit Quiz for participants to fill out individually or in pairs. After they have taken the quiz, ask for volunteers to answer each question. Ask about inaccurate answers. Do they represent common attitudes?

ANSWERS TO QUIZ

PART I

1. Yes. However, before the Equal Credit Opportunity Act was passed in 1974, this was not true.

2. No. It is illegal to be denied a loan because of your age, sex, race, marital status, religion, or nationality. As of 1975, it became illegal to ask about marital status, plans to have children, or use of birth control on a credit application.

   Before the Equal Credit Opportunity Act was passed,

   single women lost their credit standing when they married

   married women lost their credit rating when they were divorced or widowed

   a wife's income wasn't counted when she and her husband applied for a mortgage

3. Yes. This information may not be demanded orally or in writing. It must be stated that giving such information is optional.

4. No.

5. Yes. The 1975 Credit Act says that this is so. But traditionally, those who grant credit have considered joint accounts the husband's credit only. It is best to take no chances on your credit status. Make sure you have a good credit rating in your own name because if an emergency should arise, you won't have time to establish credit before you need it.

6. Yes. If you, as an applicant, choose to offer the receipt of alimony, child support, or separate maintenance payments as evidence of the ability to repay an obligation, the creditor must consider such payments like any other income. If you do not intend to use such income as a basis for creditworthiness, you need not reveal its existence. If you believe you have been discriminated against, contact the attorney general's consumer protection division or the state banking commission.

7. Yes. This information is not confidential.

8. No. If you pay cash for everything, you establish no credit. If you should have an emergency and need to borrow money, you would have trouble doing so.

PART II

1. Credit union loan e. 18%

2. Loan on life insurance policy c. 8%
If you have had a life insurance policy for three or more years, you may borrow up to 95 percent of your policy's cash surrender value.

3. Personal finance company loan g. 23%
Also called consumer finance company.

4. National direct student loan b. 5%
These are for low-income students.

5. Guaranteed student loan d. 8%
These loans are available to students whose income falls under a certain maximum amount.

6. Passbook loan a. 2%
This is the easiest and cheapest kind of loan. You borrow from your own savings. Of course you could just withdraw your savings, but this method provides a structure to replace the money in your savings account if you aren't disciplined enough to do it on your own. The interest rate is 7½ percent minus the 5½ percent interest you are earning on your savings, which equals a 2 percent loan, about as low as you can get. This type of loan is often available on the same day you apply. No salary or employment records are examined.

7. Bank loan f. 16.40%
Banks may lend different amounts and charge different rates to different individuals.

2. Use the following questions and information to discuss issues raised by the quiz:

   a. How many people think they have good credit?

   b. What are some of the ways to establish credit and keep from being denied credit?

   The following examples may be given. Add what is left out.

   How to Prevent Being Denied Credit

   - Open a savings account in your own name if you don't have one already (i.e., Mary Clark Smith, not Mrs. Robert Smith). Do not overdraw your account.

   - Have credit accounts you now use that are in your husband's name or in both of your names listed in your name only. It is illegal for a creditor to refuse to comply with this request.

   - Take out a loan on your own savings account.

   - Borrow on your life insurance policy.

   - Get and use credit cards from several sources such as:

Retail stores	Telephone companies
Gas companies	Airlines
Motel chains	Mastercard
Car rental agencies	Visa

     Don't apply for too many credit cards at one time, however. Credit bureaus keep a record of each creditor who inquires about you. Your application may be denied if it seems that you are opening too many new accounts in a short period of time.

   - Consider a layaway plan. Some stores will give you charge accounts if you have successfully paid off a layaway purchase.

   - Past accounts you shared with your husband that were listed in his name only can be added to <u>your</u> credit file.

3. Ask the following questions:

   a. Has anybody ever been denied credit?

   b. What did you do about it?

   Following are some suggestions.

If You Are Denied Credit . . .

- Request a written explanation of why you were denied credit.
- Contact the credit bureau that provided information on you. Request to see your credit record. There may be a small charge for this.
- Make sure the information about your past credit transactions is complete and accurate. If the information is true but unfavorable, you may add your own explanatory statement to the file.
- If denial seems to be discriminatory, write a short letter to:

Federal Home Loan Board 1700 G Street, N.W. Washington, DC 20352	If lender is a savings and loan institution
Federal Deposit Insurance Corporation 550 17th Street, N.W. Washington, DC 20429	If lender is a commercial or savings bank
Federal Trade Commission Division of Credit Practices Washington, DC 20580	If lender is a finance company or retail store

4. Make the following points about how much debt is too much debt.

"Credit counselors recommend that 20 percent of one's income after taxes is all the debt anyone can safely carry. For example, a salary of $12,000 equals approximately $9000 after taxes, or $750 a month. This means that you should not be paying various creditors more than $150 a month. If you're paying $125 a month on a car loan, you could afford to pay another $25 on furniture or whatever and maintain a reasonable debt limit.

"If you are overextended in debt and need help, contact the consumer credit counseling service in your local area for free help."

SUMMARY AND HOMEWORK ASSIGNMENT

INSTRUCTIONS

1. Summarize what has been covered in the workshop.

   "This is a time when the rules of the money game are not as clear-cut as in our parents' time. No longer is it the best policy to save as much as you can in a savings account. There are other options that help us keep up with inflation. Many of us were taught that it was always better to pay cash. But now you can be stuck without a credit record if you have followed that course.

   "Things are expensive today, but sometimes it is better to buy now and pay on credit, because next year the item will most likely cost even more, and your money will be worth less. At the same time, you must still be careful not to get too deeply into debt. Each of us has to weigh our own circumstances. There are no definite rules.

   "There are several books, magazine articles, and free booklets that will help you understand more about money management."

   Hand out the Checklist for Comparing Your Bank to Others and the Resource List.

2. Suggest that each participant choose one of the following homework assignments and do it during the week:

   - Fill in amounts in the major categories in the Monthly Budget Chart.
   - Start writing down miscellaneous expenses each day.
   - Make a list of the kinds of new expenses you might have in the future, for example, buying a car or a home, having a child, going back to school, taking vacations or participating in other recreational activities, financing a wedding.
   - Try to calculate how much money you will need in the future and how you will make this amount of money, for example, by saving X amount of money each month or beginning to establish a good credit record now.

3. Describe what the next session will cover.

   "Next week we will look at the factors to consider in deciding whether to take a course or two or enter a degree program to advance your career."

PARTICIPANT HANDOUTS

MONTHLY BUDGET CHART

INCOME

Salary _____

Interest on savings _____

Alimony or support payments _____

Educational grant, scholarship _____

TOTAL _____

EXPENSES

Federal taxes _____

State taxes _____

Local taxes:

- Excise _____
- Property _____
- Other _____

Social Security (F.I.C.A.) contribution _____

Pension or personal retirement plan _____

Mortgage or rent _____

Household expenses:

- Heat (gas or oil) _____
- Electricity _____
- Telephone _____
- Repairs and maintenance _____
- Home improvements _____
- Other _____

Food:

- Meals at home _____
- Bag lunches _____
- Household supplies _____
- Dining out _____

Health care:

- Medical expenses _____
- Dental expenses _____
- Mental health expenses _____

Insurance:

- Life _____
- Health _____
- Automobile _____
- Household _____
- Other _____

Educational expenses (tuition, other) _____

Monthly payments on other installment loans _____

Transportation:

- Own car
  - Gasoline _____
  - Maintenance _____
  - Parking, tolls _____
- Public transportation _____

Clothing:

- Necessities (yours) _____
- Necessities (children's) _____
- Extra _____
- Laundry and cleaning _____

Furniture and appliances _____

Entertainment, recreation _____

Baby-sitter/day care _____

Cigarettes and alcoholic beverages _____

Personal (hair care, makeup, books, magazines) _____

Legal services (divorce, will) _____

Dues (union, professional organization) _____

Gifts, parties, weddings _____

Contributions _____

Savings:

- Long-range _____
- Vacation _____

TOTAL _____

DEVELOPING A PLAN FOR SAVINGS

At 5½ percent interest, compounded daily, save this amount monthly . . .

If you want this amount	For 3 years	For 5 years	For 15 years	For 25 years
$ 1,000	$ 25.56	$ 14.51	$ 3.62	$ 1.59
2,000	51.12	29.03	7.24	3.18
3,000	76.68	43.54	10.86	4.77
4,000	102.24	58.05	14.48	6.36
5,000	127.80	72.57	18.11	7.95
6,000	153.35	87.07	21.73	9.54
7,000	178.91	101.59	25.35	11.13
8,000	204.47	116.10	28.97	12.72
9,000	230.03	130.62	32.59	14.31
10,000	255.59	145.13	36.21	15.90

WHAT COMPOUND INTEREST ADDS

Saving $50 a month at 5½ percent interest, compounded daily . . .

Year	Your Total Deposits	Amount of Interest Paid	Total Savings
1	$ 600	$ 17.70	$ 617.70
3	1,800	156.25	1,956.25
5	3,000	445.16	3,445.16
10	6,000	1,940.88	7,940.88
20	12,000	9,463.05	21,463.05

HOW A $1,000 DEPOSIT GROWS

This table shows how a single deposit would increase over the years at various rates of interest. As you can see, a difference of just ¼ of 1 percent adds up to quite a bit of money.

Interest Rate	After 1 year	After 3 years	After 5 years	After 10 years
4½%	$1,046.68	$1,146.68	$1,256.24	$1,578.14
5%	1,052.00	1,164.26	1,288.49	1,660.21
5¼%	1,054.67	1,173.14	1,304.93	1,702.83
5½%	1,057.35	1,182.10	1,321.57	1,746.54
6%	1,062.72	1,200.21	1,355.49	1,837.37
6½%	1,068.12	1,218.61	1,390.29	1,932.91
7%	1,073.55	1,237.28	1.425.98	2,033.43
7½%	1,079.01	1,256.49	1,462.59	2,139.17

CREDIT QUIZ: MANAGING WITH AND WITHOUT MONEY

PART I

Write Yes or No.

1. When a married couple applies for a mortgage, does the wife's income count as evidence of ability to repay the loan? _____

2. If you are earning an income that would qualify you for a loan but your husband is presently unemployed, might you still be refused a loan because of your husband's economic situation? _____

3. Any application that asks your marital status for credit purposes must state that giving such information is optional. _____

4. A loan officer has the right to inquire about your child-bearing plans or capability since it affects your family's ability to repay. _____

5. If a wife and husband hold all their charge accounts and credit cards jointly and their credit is good, is the wife's credit good without her husband's? _____

6. Are alimony and child support payments considered income? _____

7. Lending institutions are compelled by law to reveal their grounds for denying credit to applicants. _____

8. It is best to pay for everything with cash and never run up bills or borrow money. _____

PART II

Match the following loan interest rates with the appropriate sources.

1. Credit union loan _____		a. 2%
2. Loan on life insurance policy _____		b. 5%
3. Personal finance company loan _____		c. 8%
4. National direct student loan _____		d. 8%
5. Guaranteed student loan _____		e. 18%
6. Passbook loan _____		f. 16.40%
7. Bank loan _____		g. 23%

CHECKLIST FOR COMPARING YOUR BANK TO OTHERS

1. Is the rate of interest on savings at your bank higher than or similar to that at other banks?

   Most full service banks, also known as commercial banks, trust companies, and community banks, generally pay the lowest interest. Interest rates on regular savings accounts were 5½ percent in 1983.

   Most savings banks, savings and loan associations, and cooperative banks pay ¼ percent higher than full service banks. On a $1000 deposit, this amounts to an additional $2.50.

   A credit union is a cooperative association of people with a common bond, such as a place of employment, professional association, place of residence, union membership, religious affiliation, etc. It is governed by the member-users on a one member-one vote basis. Since the credit union has low advertising costs and does not pay taxes or distribute profits to a large number of shareholders, it is able to pass benefits on to its members. Current interest rates paid on regular savings accounts are 6 percent.

   You may be eligible for membership in a credit union and not realize it. Look into the possibilities through work, church, union, professional organizations, civic groups, colleges, and political organizations. Some states have community or municipal credit unions with a membership that is open to all who live and work in a particular area (city, county, or state).

2. When is interest credited to your account?

   This can vary, such as at the first of each month, the end of each quarter, every six months, and once a year. In other words, you may receive interest daily, but the interest is recorded in your account at the end of each month. It is important to know on what date the interest is posted, because if you withdraw your money before that date, you lose the interest for the period up to that date.

3. What are the service and maintenance charges? The fees for checks?

   Some banks require that you keep a certain cash minimum in your checking account (usually $500). As long as you don't go below this minimum amount, the bank will permit you to write as many checks and make as many deposits as you please without paying a monthly service charge.

   If you go below the minimum, you are penalized a small fee. Often, the larger the bank, the larger the balance required. Some banks, in addition to requiring a minimum balance, also charge a maintenance fee.

   Another arrangement requires no minimum amount in your account, but you are charged a maintenance fee for every check you write and/or

deposit you make. If you write very few checks, then this arrangement may be good for you.

Keeping a minimum balance of, say, $200 in your checking account is a disadvantage because this money could be earning at least 5½ percent interest in a savings account. A minimum balance of $500 in a regular checking account loses $30 to $60 a year in interest.

A NOW account is similar to a regular checking account except that it earns interest (5-5¼ percent). A disadvantage of NOW accounts is that a minimum balance is frequently required and a service fee is charged if you fall below the minimum balance.

With an overdraft account, you have both a savings and checking account, but you can write checks for more than is in your checking account, and it will automatically be covered by the amount that is in your savings account.

4. Are there restrictions on withdrawals in case you require your money in a hurry?

5. Are there penalties for frequent withdrawals and/or bonuses for infrequent withdrawals?

6. Is it easy to get a loan or mortgage at this bank? Can you get a loan through the bank because you have an account there?

7. Are the locations and hours for banking convenient?

8. Are your deposits federally or state insured?

   This means that if anything happened to the bank, you would be able to get all of your money back. More than 99 percent of all deposits in commercial banks are covered by the FDIC (Federal Deposit Insurance Corporation).

SESSION I RESOURCE LIST

BOOKS

Ahern, Dee Dee, and Betsy Bliss. *The Economics of Being a Woman.* New York: MacMillan, 1976.

Greenwald, Carol S. *Banks Are Dangerous to Your Wealth.* Englewood Cliffs, N.J.: Prentice-Hall, 1980.

Margolius, Sidney. *How to Make the Most of Your Money.* New York: Hawthorn Books, 1969.

Paulsen, Kathryn, and Ryan A. Kuhn, eds. *Woman's Almanac: Twelve How to Handbooks in One.* New York: Harper and Row, 1976.

Contains the following articles and more:

"Hidden Dangers of a Joint Account"
"Where to Put Your Savings"
"Should You Join a Credit Union?"
"Getting Credit and Loans"
"Sex and Taxes"
"What Every Working Mother Should Know about Tax Deductions"
"Investment Know-How"
"The Language of Investing"
"Insurance, Pensions and Social Security"
"How to Deal with Creditors"
"Buying a House"

Porter, Sylvia. *Sylvia Porter's New Money Book for the 80's.* New York: Avon, 1980.

Schlayer, Mary E., and Marilyn Cooley. *How to Be a Financially Secure Woman.* New York: Ballantine, 1978.

Van Caspel, Venita. *Money Dynamics for the 1980's.* Reston, Va.: Reston Publishing Co., 1980.

MAGAZINES AND JOURNALS

A Guide to Banking Services, a *Consumer Reports* reprint ($1.25). Consumers Union, Reprint Department, Orangeburg, NY 10962.

Dollars and Sense Magazine, a monthly journal of economic affairs. Somerville, Mass.: Economic Affairs Bureau, 1980. 38 Union Square, Room 14, Somerville, MA 02143.

FREE PAMPHLETS AND BROCHURES

Women and Credit Histories	Federal Trade Commission Sixth Street and Pennsylvania Avenue, N.W. Washington, DC 20580
If You Use a Credit Card *The Equal Credit Opportunity Act and . . . Women* *What Truth in Lending Means to You* *Consumer Handbook to Credit Protection Laws* *How to File a Consumer Credit Complaint*	Publications Services Board of Governors of the Federal Reserve System Washington, DC 20551
Borrowing Basics for Women	Citibank Public Affairs Department 399 Park Avenue, 18th Floor New York, NY 10043
Equal Credit Opportunity and Women *Fair Credit Billing* *Truth in Lending*	Federal Deposit Insurance Corporation 550 17th Street, N.W. Washington, DC 20429
Budgeting for the Family (1981) *Consumer Credit Handbook* (1982) *Fair Credit Reporting Act* (1980) *The Arithmetic of Interest Rates* (1982)	Consumer Information Center Pueblo, CO 81009
How to Manage Your Money	American Bankers Association 1120 Connecticut Avenue, N.W. Washington, DC 20036

BACKGROUND INFORMATION FOR LEADER

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Cost of Consumer Credit

WHAT DOES CONSUMER CREDIT COST?

Credit is not free. When you use someone else's money, you pay for the privilege. You pay for: the amount you borrow, the length of time involved, the risk the creditor assumes, and any extra charges the creditor chooses to include, such as research, workmanship and design, labor, equipment, shipping, guarantees and administration. The price you pay must cover all these expenses in addition to a reasonable profit for the seller.

So when you are thinking about entering into a time-payment agreement, ask yourself: How much does it cost over and above the cash price? Is it worth that much to me? What is the cheapest way to do it?

The Massachusetts Truth in Lending law now protects individual consumers in that it requires lenders to tell the Finance Charge and the Annual Percentage Rate, whether you are getting a loan or buying "on time." Under the law, the service charges and carrying charges must be totaled with the interest charge and listed as the finance charge.

WHAT ARE THE MAIN TYPES OF CONSUMER CREDIT?

Consumer credit is of two main types: cash credit and sales credit.

- Cash credit (or a loan) provides funds which may be put to any use.
- Sales credit permits you, the consumer, to pay later for goods you buy now.

It may be a charge account, revolving account, or installment account. A cash loan is generally secured from a bank, credit union or loan company. Banks vary in the amounts of money they lend and in the rates they charge. They also may be willing to lend different amounts and charge different rates to different individuals. Consumers are wise to comparison shop before signing a credit document. Bank rates are generally lower than those of loan companies. Banks and credit unions generally charge about the same rates.

WHAT WAYS DO CREDITORS COMPUTE INTEREST CHARGES?

Banks charge interest in one of two ways:

- on the full amount of the loan
- on the unpaid balance after each payment.

If you borrow $1200 @ 10% for a year and repay it all (principal and interest $1200 plus $120) at the end of the year, you have paid a true annual rate of 10%. If you borrow $1200 @ 10% for a year and repay in 12 monthly installments, your interest rate is actually about double what it appears to be or is nearly 20%. The reason is that you make payments each month on the principal as well as on the interest, so you really have the full $1200 for only one month. The amount of the loan in your pocket, then, decreases steadily, so it averages out at $600 for the year.

When shopping for a loan, you will also want to ask if the lending institution computes interest by the add-on or discount method. Suppose you need $100 and can get it at a rate of 10% to be repaid monthly. By the add-on computation, the finance charges are added to the loan and the total divided by 12, i.e., $100 principal plus $10 finance

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Cost of Consumer Credit

charge is $110. You repay $110 ÷ 12 monthly payments, or $9.17.

By the discount method, the finance charge is deducted in advance from the loan and the borrower repays the face amount of the loan, i.e., $100 loan minus $10 finance charge is $90. You receive $90 but you repay $100.

Therefore, if you needed $100 to pay a specific bill, you would want to be sure that you were borrowing from an institution that computed by the add-on method.

The charge account is one of the most common forms of sales credit. There are straight 30-day accounts and revolving accounts. When you receive a bill from a store, credit card, or mail-order house and pay the bill in full within a specified number of days, you do not pay a finance charge. If you do not pay in full on or before the due date, the finance charge is added at the rate of 1% or 1½% per month. One percent per month is the same as 12% yearly. One and one-half percent monthly is the same as 18% yearly.

If you have a revolving account at a store and always pay only the minimum balance required, you are continually paying interest on the unpaid balance. A revolving account operates much like an installment plan, which is a method of payment for larger, more durable goods. A limit is set on the account. The size of the unpaid balance determines how much must be paid each month. In some instances, 30-day charge accounts become revolving charge accounts if they are not paid when due.

Whether you decide to pay by cash or credit, you are taking money out of income and reducing the amount you have to spend on other things. Using credit costs money, while saving money can earn more money. However, in the time needed to save the amount, the price of the product may have risen more than enough to offset the interest that could be earned on savings. This is your basic choice.

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Credit Cards

CREDIT CARDS

A key financial instrument of modern times is the credit card. The growth in its acceptance and the business volume it has generated have been phenomenal. There are presently over 600 million cards in circulation in the United States.

As the name implies, credit cards* extend credit; most often sales credit and, in some cases, cash credit. The specific terms of the credit card are set by the card issuer, which may include payment terms, finance charges, annual percentage rate, maximum dollar limit, and annual users fee.

WHAT ARE THE DIFFERENT TYPES OF CREDIT CARDS?

Credit cards fall into three basic categories:

- Single Purpose or Company Cards: These are issued by many different businesses including retail stores, oil companies, motel chains, car rental agencies, telephone companies, and airlines. Issuance of company cards encourages increased sales and loyalty of the user to that particular business. There is no annual users fee and payment terms are single payment or revolving payment or a combination of the two. The business issuing the card specifies payment and user terms.

  If you use a lot of single company cards, there can be a disadvantage in that there are numerous bills coming in each month, which may create a complicated set of records for itemizing expenses. Also, using many credit cards can lead to overindebtedness and problems meeting monthly bills.

- Bank Cards: Master Charge and Visa, the best known, are issued by banks. These are multi-purpose cards that can be used in place of cash and are accepted at many businesses when shopping or traveling.

  Charge slips are sent to the issuer bank, where all charges are consolidated into one bill that is sent out monthly. The bill gives a minimum payment due, but if the bill is paid in full within a set period of the billing date, there are no finance charges. After the allowed number of days, a finance charge of 1% to 1½% a month is levied against the balance. This is the revolving payment plan. Some banks have an annual fee for use of their bank card. There is a maximum dollar credit limit given for the card based on income and credit history.

  Another feature of bank cards is that holders may write checks against their accounts. The monthly total may not exceed the maximum credit limit established for the card. No interest is charged on purchases if paid for in full by the due date, but interest is levied on the checks written against the loan feature.

- Travel and Entertainment Cards: The three major T & E cards are American Express, issued through American Express Company; Diners Club, issued through Diners Club; and Carte Blanche, issued through Carte Blanche Corporation.

  These cards are similar to the bank cards in that they also are

*Not to be confused with the plastic cards issued by banks for check cashing and account identification.

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Credit Cards

multi-purpose cards and monthly charges are consolidated into one bill.

The T & E cards do require an annual membership fee, and income and credit history qualifications are more rigid than for other credit cards. This may account for why the T & E cards have been considered status symbols.

There are no preset dollar limits for the T & E cards but, unlike the more convenient revolving payment plans for the bank cards, the T & E cards have a strict pay-in-full policy. There may be exceptions with several of the cards when charging things like airline tickets.

WHAT ARE THE ADVANTAGES OF CREDIT CARDS?

A credit card can be used as a convenient budgeting and record keeping tool if handled properly. Some of the advantages:

- You do not have to carry large amounts of cash when you shop or travel.
- You have detailed records of business and travel expenses for tax purposes.
- Credit cards offer instant identification and credit worthiness.
- You can buy sale items you need when you are low on cash.
- You can purchase big ticket items that would be difficult to purchase if cash were a prerequisite.

WHAT POINTS SHOULD THE CREDIT CARD USER CONSIDER?

Credit cards are not a license to overspend, yet the allure and convenience of credit cards cause overspending, resulting in overindebtedness in many cases. If you are planning to use a card, ask yourself these questions:

- Do I really need this card?
- Am I an impulse buyer?
- Do I find it difficult to live within my means?
- Do I habitually make bill payments late?
- Do I understand all the terms of the credit card?

In addition, if you presently use credit cards, consider these points:

- Avoid paying only the monthly minimum amount due on revolving accounts. Pay as much as possible to reduce finance charges. A good practice is to set a maximum monthly spending limit that can easily be repaid to avoid finance charges.
- Do not use or carry any more credit cards than you really need. You may find yourself overwhelmed with monthly payments. Also, if your cards should become lost or stolen, you have to notify each card issuer immediately.

WHAT HAPPENS IF CREDIT CARDS ARE LOST OR STOLEN?

If your credit card(s) is lost or stolen, you cannot be held responsible for more than $50 of unauthorized charges. If you report your missing card(s) to the card issuer before any charges are made, you are not liable at all. The card issuer must give the holder either a self-addressed stamped envelope or a telephone number that can be used to notify the issuer of loss or theft of a card. The $50 limit applies to each card you have.

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Types of Consumer Credit

TYPES OF CONSUMER CREDIT

All types of consumer credit can be classified into two major categories: CASH CREDIT and SALES CREDIT.

CASH CREDIT is extended in the form of money. It can be obtained through banks, other financial institutions, and certain credit cards.

SALES CREDIT is extended in connection with the purchase of merchandise or services. It can be obtained through automobile agencies, retail stores, repairmen and other goods and service dealers.

WHAT IS SALES CREDIT?

There are three basic types of sales credit:

- Single payment or 30-day (open) credit: This type of credit allows an individual to charge purchases or a service (telephone service) with the promise to pay in full 10 to 30 days after the billing date.

  Sources of this type of credit are retail stores, utility companies, doctors and other service agencies.

  There is usually no interest charged on this type of credit if paid within a specified time. Late payment may include a late or finance charge.

- Revolving or open-end credit: Revolving credit allows an individual to make repeated purchases up to a set money limit established by the creditor at the time the account is opened. The limit is based on the individual's ability to pay and credit history. You may either pay in full when billed or you may pay a stated amount on the balance and pay interest on the unpaid balance you owe. The maximum interest charged is 1½% a month (18% annual percentage rate) on the balance of $500. or less. One percent per month (12% per year) is charged on balances over $500.

  Some creditors determine the interest charge by applying the monthly rate to the opening unpaid balance. Others may apply a rate to the average daily balance. Or creditors may apply the rate to the opening balance minus any payments that are made during the month.

  Sources of this type of credit are retail stores and other credit card issuers.

- Retail installment or closed-end credit: This type of credit is used for expensive purchases such as major appliances or automobiles. The terms of installment credit may require a cash down payment or a trade-in and are stated in the form of a written agreement or contract. The balance is paid in monthly equal amounts over a specified time period. The interest cost is figured on the total amount of the loan and included as part of the monthly payment.

  Sources of this type of credit are stores or dealers where merchandise is purchased or sales finance companies.

WHAT IS CASH CREDIT?

Cash credit may be obtained from many sources. The most common type of cash loans are the installment type loans. Installment loans range from a small personal installment loan with a short payback period to

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Types of Consumer Credit

a real estate mortgage with an extended payback period ranging from 20 to 30 years or longer.

The source of cash credit depends on the amount you need, your credit history, the purpose for which you want it, the value and type of security you can offer, and the services you require.

- Commercial Bank: One of the best sources of cash credit is the commercial bank, which can offer personal, automobile, home improvement, education, and credit card loans as well as passbook loans and mortgages.

  There are usually typical maximum cash amounts that can be borrowed with each type of loan, and varied annual interest rates and payback terms.

  When applying for a loan at a commercial bank, the loan officer will take into consideration your credit rating and your personal financial situation which would determine your ability to pay back the loan.

  Interest rates and monthly payback terms are generally more favorable here than at other financial institutions, but the requirements, credit rating, and personal financial statement are usually more rigid.

- Savings and Savings and Loan Banks: These banks usually specialize in mortgages and home improvement loans but may, in addition, offer the same loans as a commercial bank. The conditions for borrowing money are basically the same as a commercial bank.

  If you are planning to obtain a loan from either type of bank, shop around for the best interest rates and loan maturity terms.

- Credit Unions: To obtain credit from a Credit Union, you must be a member. You become a member by making a cash deposit at the Credit Union. Some Credit Unions restrict membership to a particular group such as employees of an organization or labor union, etc.

  Credit Unions offer basically the same types of loans as banks, i.e., personal, automobile, mortgages, but differ from banks in that they do not give out industrial or business loans.

  The greatest advantage of obtaining credit from a Credit Union is the relatively low interest rates on loans.

  As with obtaining credit from banks, you want to shop around for the best interest rates and loan terms.

- Private Finance Company: Finance Companies specialize in personal loans and some offer home equity or second mortgage loans.

  The requirements for obtaining credit are not as rigid as a bank's but the interest rates are higher.

- Life Insurance: You can borrow a percentage of the cash surrender value of your life insurance policy (not a term policy) after you have paid premiums for a period of time.

  All that is usually required is to fill out a loan application provided by the insurance company, and the interest rate is low. There is usually no set repayment schedule, but understand that borrowing against your policy means that the value of your policy also decreases and you are temporarily undercutting the protection of your family. You are also paying interest on your own money.

Types of Consumer Credit

There are other sources of cash credit such as borrowing from family and friends.

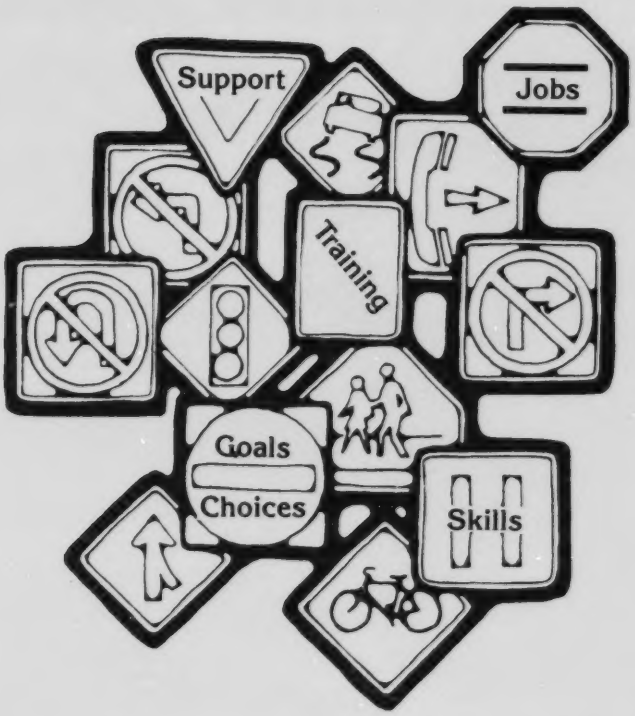
WHAT SOURCES OF CONSUMER CREDIT SHOULD BE AVOIDED?

Pawnbrokers will lend cash in exchange for personal property put up as collateral. The amount given is usually a fraction of the property's worth and the interest rates are very high.

Loan sharks should be avoided at all costs! They charge exorbitant rates--2000% is not unusual--not to mention that their operations are illegal.

SESSION II

EDUCATION AND CAREER ADVANCEMENT: WHAT ARE THE OPTIONS?



SESSION II WORKSHOP OUTLINE

GOALS

- To help participants recognize planning skills they have that can be transferred to other areas, such as career advancement planning
- To make participants better able to assess if education will help them advance in their careers

ACTIVITIES	Suggested Time
Introduction: Why Return to School? Participants reintroduce themselves and briefly review the previous workshop for newcomers. Leader gives an overview of this workshop and leads a discussion on reasons for obtaining more education.	20 mins.
Will Returning to School Advance Your Career? Using information provided on fact sheets, participants discuss in small groups the pros and cons of returning to school and then present their findings to the larger group. Noneducational factors affecting job advancement and nonfinancial reasons for returning to school are also discussed.	25 mins.
If You Decide to Go to School Participants brainstorm ideas on what to look for in educational programs and institutions.	15 mins.
Improving Your Career Options through Collective Action Participants discuss how to increase their salaries and career options without returning to school. Discussion centers on assertiveness techniques and collective action.	15 mins.
Making a Plan and Following It Through Leader presents information on basic steps to planning, using career development as an example.	15 mins.
Homework Assignment Leader suggests activities for participants to do on their own.	10 mins.

WORKSHOP MATERIALS

For Participants
Education and Career Advancement Fact Sheet
Employment Charts

Is This Educational Program Right for You?
Where to Get Financial Aid
How to Ask for a Raise Using Collective Action
Resource List

SESSION II ACTIVITIES

INTRODUCTION: WHY RETURN TO SCHOOL?

PURPOSES

- To provide an overview of this session
- To involve participants in a discussion of reasons for wanting to go back to school and to demonstrate that their concerns are shared by other women

INSTRUCTIONS

1. Ask people to introduce themselves. If there are new people, ask the ones who were there last week to describe what was discussed.

2. Describe the purpose of the workshop.

   "The purpose of this session is to help you decide whether or not to take a course or two or to enter a degree program to advance your career. We will explore how to get the most for your money and briefly discuss what you can do to advance your career without going to school. We'll also talk about how to plan more effectively to achieve your goals."

3. Ask participants why they would consider returning to school. Write their answers on a chalkboard and summarize their major reasons. Responses might include:

   To make more money
   To get a degree
   To feel smarter/more confident
   To get a promotion at work
   To have a more interesting job
   To relate work to personal interests and convictions

4. Ask what concerns participants have about returning to school. Write their answers on the board. Responses might include:

   How to afford it
   Will it be worth it?
   Husband/family isn't supportive
   Too much travel or time away from home
   Child care a problem
   No time to study

WILL RETURNING TO SCHOOL ADVANCE YOUR CAREER?

PURPOSES

- To put education in a realistic perspective
- To discuss other factors that affect career advancement
- To encourage participants to explore relevant facts before deciding to get more education

INSTRUCTIONS

1. Introduce the exercise:

   "How can you decide if it's worth it or not to return to school? We're going to do a problem-solving exercise to examine whether education helps working women advance their careers and increase their salaries."

2. Write the following question on the board:

   "Does further education help low-income working women advance their careers and increase their salaries?"

3. Divide participants into three groups. Give each group an Education and Career Advancement Fact Sheet and the Employment Charts. Encourage each group to supplement the fact sheet with personal experiences of the women in the group. Advise each group to choose a reporter to present the group's conclusions to the larger group.

4. As the reporter from each group gives its summary, write down the major points on the board. After each group presents its information, determine with the group whether each point would be a pro or a con in deciding whether to return to school.

5. Point out that noneducational factors also affect job advancement.

   "Many times, if we don't advance in our careers, we take it out on ourselves, thinking that we didn't work hard enough. Often, it has more to do with discrimination than individual weakness. What other factors besides increased education can affect promotional opportunities?"

   Use the following facts as background to focus the discussion:

   - On-the-job training programs result in promotions more than outside educational programs.

- On-the-job training is given primarily to men.
- Higher pay is earmarked more for men.
- Job posting is biased toward higher-level jobs.
- Hiring is biased toward attractive women.
- Hiring is biased toward younger women.
- Clerical jobs are increasing; therefore, this is a somewhat secure area for advancement. However, due to the tight job market, college graduates are taking clerical positions.
- You may get trained in a skill now that will be replaced by a machine.

6. Discuss some of the nonfinancial reasons for returning to school.

   "A little earlier, we looked at some of the reasons, other than money, for returning to school, such as the opportunity to get a more interesting job or to gain confidence in oneself. Are there other ways to build these strengths?"

   Possible responses may be:

   Join an organization
   Do volunteer work
   Take a course for personal development

   Ask participants if any of them have done these things. Ask those who have to give examples.

   Close by saying:

   "We'll come back to other noneducational options a little later in the workshop."

IF YOU DECIDE TO GO TO SCHOOL

PURPOSE

- To explore the factors that should be considered in order to choose an educational program best suited to the needs of the student

INSTRUCTIONS

1. Ask participants to brainstorm factors to consider in choosing an educational program.

   > "Let's say you've analyzed the pros and cons of returning to school and have decided that taking a course or two or entering a degree program is the best way to increase your salary, to advance your career, or to meet whatever other goals you've set for yourself. You've also decided on an area of study such as computer programming or business administration. Now you have to choose a particular program and school. What kinds of information would you need to have in order to determine what program is best suited to your needs?"

   Use the handout Is This Educational Program Right for You? to guide the discussion and make points people may omit.

2. At the end of the time allotted for the discussion hand out Is This Educational Program Right for You? and Where to Get Financial Aid. Explain that the first is a checklist summarizing some of the points the group has just been discussing. The second is a brief summary of the different types of financial aid and where you can go to get more information.

IMPROVING YOUR CAREER OPTIONS THROUGH COLLECTIVE ACTION

PURPOSES

- To explore ways, other than returning to school, to advance careers and increase salaries
- To focus the discussion on collective action and assertiveness

INSTRUCTIONS

1. Begin a discussion on asking for a raise.

   "What if you decide that returning to school is not a viable alternative for you or is not likely to do much to advance your career? Are there other ways you can accomplish your career goals? Let's take one of the goals we defined earlier--making more money. One strategy to accomplish this goal might be to ask for a raise. A skill we might use is assertiveness.

   "Has anyone here asked for a raise? Would you share with us what the experience was like?"

2. Focus the discussion on asking for a raise through collective action. Hand out How to Ask for a Raise Using Collective Action. Briefly summarize the handout. Make sure to point out that one person being assertive will not always succeed in getting a raise, but a group of people acting collectively will often be able to obtain better results and effect changes in company policies that may be keeping salaries low for the entire group.

   Ask for other examples from people who have asked for a raise, either alone or in conjunction with their co-workers. Be prepared with one or two examples of your own.

3. Ask participants to name some other means by which they could increase their career options and attain higher salaries.

   Possible responses may be:

   Job posting
   Clear job ladders/promotional opportunities
   Decreasing race, sex, and age discrimination
   Achieving pay equity (i.e., higher pay for traditionally female jobs)

   Ask participants to share examples of how they have won any of these goals either through a small group of co-workers or through an organization.

MAKING A PLAN AND FOLLOWING IT THROUGH

PURPOSES

- To illustrate the importance of planning
- To outline steps toward effective planning, using career development as an example

INSTRUCTIONS

1. Explain some of the reasons why planning is important.

   "It is essential to organize your thoughts about your goals and how you are going to pursue them. Otherwise, your actions tend to be haphazard and will end up costing you time and money.

   "There are basic steps to effective planning that are simple and rely on common sense. We are all good planners of some things, such as buying gifts or planning a party or vacation. But when we get into an area that we aren't as comfortable with, we often don't use the same common sense to proceed. Planning is an alternative to complaining and worrying. It is taking a mental activity that you already do in a rambling sort of way and resolving to do it in a more organized way."

2. Focus a discussion on the steps to effective planning.

   "In discussing how to advance our careers in this workshop, we have done some of the steps involved in effective planning. Sometimes these steps are easier to list than to do, however. What do you think the steps are?"

   Elicit responses such as the following:

   - Make a list--brainstorm what you want and all the possible things you could do.
   - Analyze your options. List obstacles, people who will be helpful, training you will need.
   - Identify your short-term as well as long-term goals.
   - Determine the steps you will need to take to achieve these goals.
   - Set priorities.
   - Schedule them.
   - Do them. Keep a record of how you are doing.

3. Make the following points in conjunction with the discussion on steps to effective planning:

   a. Brainstorming helps us think about what we want to change. The purpose is to list everything that comes to mind, not to criticize or worry about being practical, but just to let whatever thoughts we have come out. There may be things we want, need, or desire to do that we hadn't realized. We began to brainstorm when we listed why we wanted to go to school.

   b. We analyzed the option of returning to school in listing our concerns about doing so and in our small group activity when we took the information from the fact sheet and charts to come up with pros and cons about returning to school.

   c. Taking things one step at a time makes our goals seem more attainable and not so overwhelming. We began determining the steps we would need to take to achieve our goals by listing what we would need to find out about various educational programs in order to choose the one best suited to our needs.

4. Hand out the Resource List.

   "There are several ways you can continue to collect more information that will help you decide the best way to get what you really want.

   "This resource list will guide you to sources of information on career planning as well as information on careers and educational programs."

HOMEWORK ASSIGNMENT

INSTRUCTIONS

1. Suggest that participants choose one of the following homework assignments.

   "These assignments are some concrete activities that can start you on the way to achieving your goals. You may want to decide on one now or wait and think about how one or more of them would fit in with your career planning process."

   - Make a list of questions to ask a supervisor, personnel director, or other appropriate person at your workplace about your career advancement options. Or choose a person at another workplace who is doing something you think you might be interested in doing. Ask for an informational interview with this person. In this kind of interview, you do not need to know or say what your needs or plans are; it is only to help you analyze the situation.

   - Find one of the books listed in the bibliography on career decision making and complete some of the activities that help you clarify your own needs and desires.

   - Assess your financial situation and your options for financial aid. Find out if you can get tuition costs paid for by your employer. Many businesses offer tuition refunds for education.

   - Attend a class at the school you are interested in. Talk about the program with current students and recent graduates. What are the classes like? How heavy is the work load?

   Ask participants if they have other suggestions of activities they might pursue.

2. Describe what next week's session will cover.

   "Next week we will talk about how to find quality child care on a budget."

PARTICIPANT HANDOUTS

EDUCATION AND CAREER ADVANCEMENT FACT SHEET

INCOME DIFFERENCES

Median incomes of women 25 years of age and over who worked full-time year round in 1982 were:

- $8,518 for those with less than eight years of schooling
- $11,549 for high school graduates
- $17,900 for college graduates

For men 25 years of age and over who worked full-time year round, the median incomes were:

- $13,468 for those with less than eight years of schooling
- $18,876 for high school graduates
- $26,069 for college graduates

Source: "Usual Weekly Earnings: Intergroup Differences and Basic Trends," E. F. Mellor and G. D. Stamas, *Monthly Labor Review* (April 1982): 6.

EMPLOYMENT SURVEY

In 1980, 9 to 5 Organization for Office Workers conducted a survey at the John Hancock Insurance Company in which one-third of the respondents said they had trained their male supervisors for jobs they themselves were qualified to fill. They also indicated that the existing job posting and career training system did not meet their needs, and that their jobs were somewhat to very stressful, caused by low pay, lack of input into the review process, and lack of promotional opportunity.

JOB OPENINGS

Los Angeles Working Women surveyed 10,000 office workers in downtown Los Angeles in June 1980. The results showed that only 43 percent of all companies surveyed posted any job openings. Most companies post only entry-level and clerical job openings. Upper-level positions are filled by the personnel office, outside advertising, or recruiting.

According to *Hidden Assets: Women and Minorities in the Banking Industry*, a February 1980 report by Working Women:

> *Working Women's experience shows that banks would rather recruit female management trainees from business schools than provide job posting, tuition reimbursement for advancement-related courses, or clear career paths for all their employees. Even*

when women employees return to school, earn college degrees, and learn new skills, the opportunity to advance into higher-level clerical, supervisory or management jobs is rare.

UNIONIZATION

Unorganized women workers earn 30 percent less than those who are unionized, according to the U.S. Bureau of Labor Statistics (1980).

TRAINING PROGRAMS

A survey conducted by the Age Discrimination Committee of 9 to 5 showed that:

- 14 percent of the respondents said they had been discouraged from entering training programs.
- 25 percent said their company didn't offer any training programs for their particular positions.

JOB RESPONSIBILITY

The Iowa Commission on the Status of Women ran a program in 1978 that taught achievement motivation, assertiveness, management test skills, and management communication skills to women who wanted more job responsibility. One year after the training, the 150 seminar participants showed no significant difference in pay, authority, or promotions when compared to members of a control group who had received no training.

COLLEGE EDUCATION AND CAREER ADVANCEMENT

A college education has been viewed traditionally as a gateway to better pay, higher status, and more challenging work. Recent experience has shown, however, that the traditional view of a college degree as a guarantee of success has not been matched by reality. According to the U.S. Department of Labor, the proportion of workers in the labor force who have completed at least four years of college rose from 8 to 18 percent between 1952 and 1981.

Between 1968 and 1978, employment in professional and technical occupations did not expand as rapidly as the supply of graduates. As a result, one out of four college graduates took jobs traditionally filled by someone with less schooling. The proportion of college graduates working in clerical, lower-level sales, and blue-collar occupations increased.

AUTOMATION AND OCCUPATIONS

According to a West German high technology firm, 40 percent of the work done in today's office is suitable for automation by 1990. A reduction in labor requirements of 25 to 30 percent would result if such thorough office automation were achieved. The occupations that are especially targeted for automation are file clerk, bookkeeper, secretary, typist, bank teller, and insurance worker.

Voice-activated typewriters will be in widespread use by the end of the decade, according to *Interface Age* computer magazine. "More than one million typists and secretaries will be unemployed as a result."

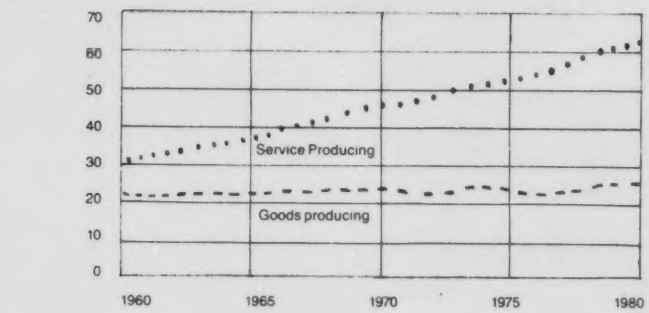
ATTRACTIVENESS AND EMPLOYMENT

A study at Ohio University in 1972 measured the impact of physical attractiveness on the probability of employment of office personnel. Videotapes of job seekers were shown to company personnel directors. Without knowing the individual's skills, 100 percent of the personnel directors chose the most attractive applicants.

Employment Charts

CHART 1

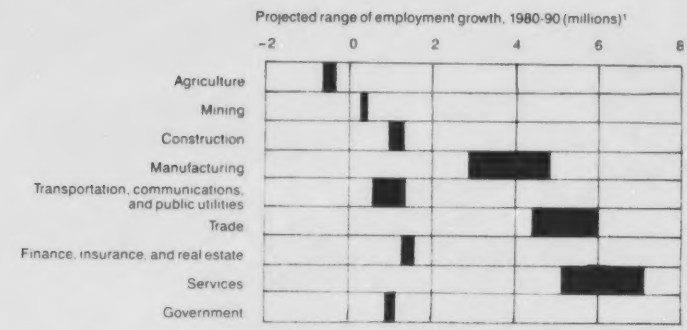
Industries providing services employ more people than those providing goods



[1]Wage and salary workers, except for agriculture, which includes self-employed and unpaid family workers.

CHART 2

Through the 1980's, changes in employment will vary widely among industries



[1]Wage and salary workers, except for agriculture, which includes self-employed and unpaid family workers.

Source: *Occupational Outlook Handbook 1982-83 Edition*, U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C., April 1982.

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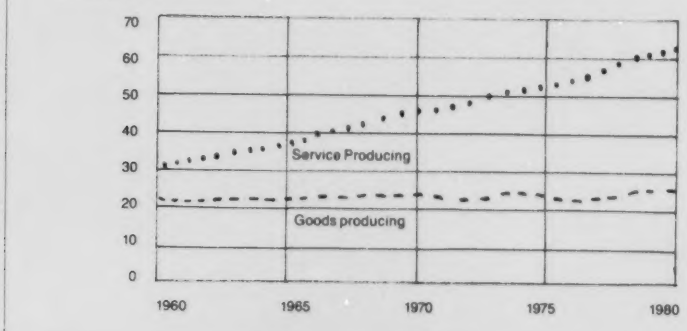

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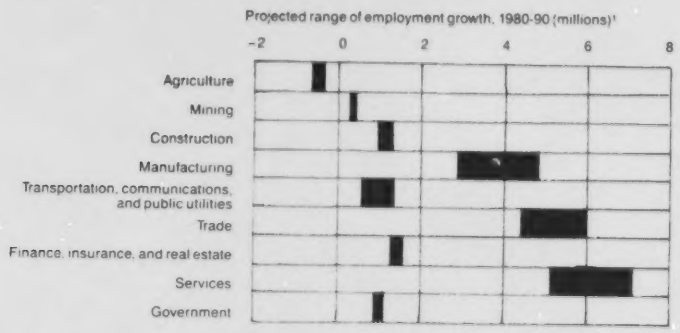

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Source: *Occupational Outlook Handbook 1982-83 Edition*, U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C., April 1982.

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CHART 3

White-collar workers have been the largest occupational group for more than two decades

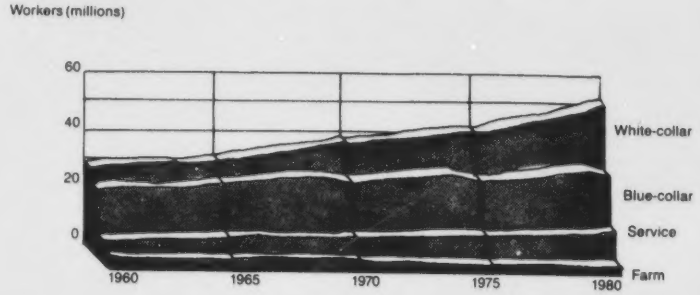
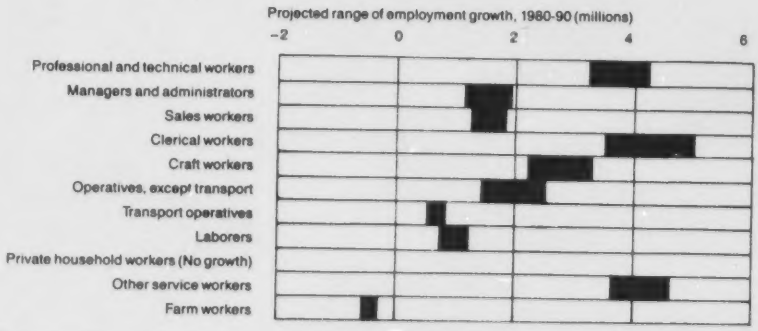


CHART 4

Through the 1980's, changes in employment will vary widely among occupational groups



Source: *Occupational Outlook Handbook 1982-83 Edition*, U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C., April 1982.

CHART 5

Industries differ substantially in the kinds of workers they employ

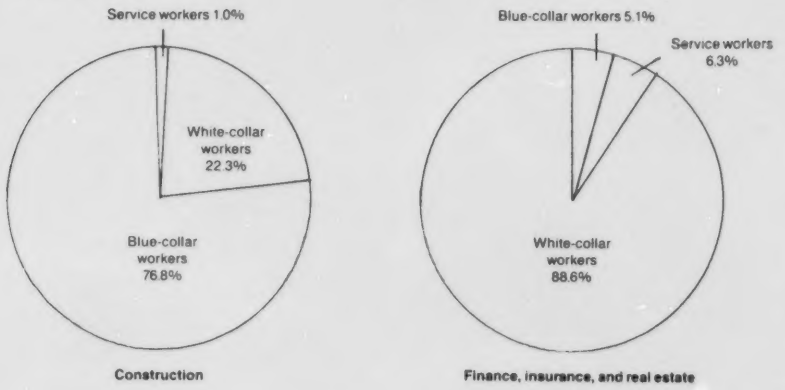
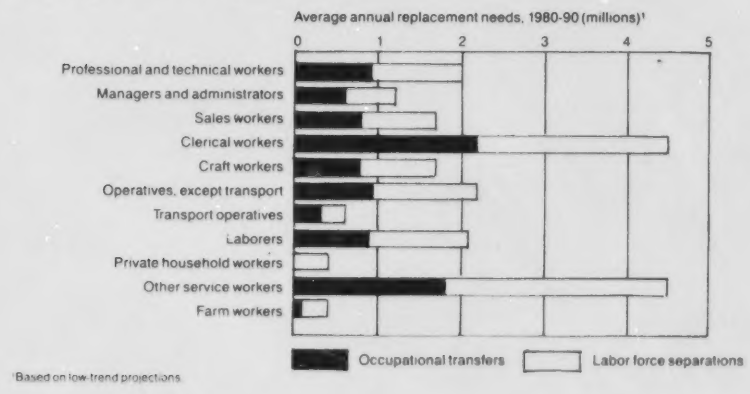


CHART 6

Replacement needs result from occupational transfers and labor force separations



Source: *Occupational Outlook Handbook 1982-83 Edition*, U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C., April 1982.

IS THIS EDUCATIONAL PROGRAM RIGHT FOR YOU?

1. How many of the school's graduates have jobs? What were their starting salaries?

2. How many students completed the course? What was the number of dropouts?

3. What are the job placement services? Are they different for part-time students?

4. Will you have an advisor?

5. What are the requirements you will have to fulfill to obtain a degree?

6. How much time will classes and study entail?

7. Can you receive college credit for life experiences through tests such as the College Level Examination Program (CLEP)?

8. Does the institution make use of its recess time--summer, vacations, and consecutive weekends--to permit special short courses of interest to older students? Are these offered at reduced cost?

9. Is there a liberal policy with regard to transfer of credits from one institution to another? Does this policy:

   a. Accept credits for courses taken by women reentering college after a break of several years? (Degree requirements might have changed.)

   b. Allow the transfer of D grades if they are not in the major area of study? It is time-consuming and expensive to repeat courses unnecessarily.

   c. Allow credit for courses that are not taught at the second school?

10. Are tuition costs higher for part-time students?

11. Is financial aid harder to get for part-time students?

12. What expenses will there be besides tuition (books, fees, etc.)?

13. Find out in advance the terms of tuition refund if you should change your mind or be forced by other circumstances to leave the program. You should have this policy in writing.

14. Are courses offered at flexible hours (evenings, weekends, etc.)? Are other student services, such as the bookstore and library, open at convenient times, such as early morning before work, late evenings, and weekends, including Sundays?

15. Is day care available?

16. Are any classes held in locations convenient to where you live or work?

17. Does the school offer any special programs geared to reentering students, such as special orientation sessions, noncredit refresher courses in basic study skills, and life and career planning?

18. Is there a career counseling service or resource library at the school? Is it free?

19. Does the school do anything special to sensitize teachers and administrators to the educational and personal needs of the employed older student?

20. What other supportive services are there for older students and students with children?

WHERE TO GET FINANCIAL AID

STUDENT FINANCIAL AID

There are many kinds of student financial aid offered through a variety of sources. The three types of aid available are (a) gift assistance, including scholarships and grants; (b) loans; and (c) employment opportunities. The principal difference among the three types of student assistance is that gift aid and employment do not have to be repaid, but loans must be repaid (principal plus interest) either during or after the student's educational experience.

Grants and Scholarships

Grants and scholarships may be obtained from federal or state governments, colleges, clubs, churches, organizations, and private foundations. Ask the librarian at your local library or at a career center for guides to public and private scholarships and grants.

Contact the financial aid department of the college or university of your choice for information on school scholarships, loans, and work-study employment.

In addition, publications are available from a variety of sources. *Need a Lift?* is a booklet containing career and scholarship information for both graduate and undergraduate students, and costs $1.00 prepaid (including postage). It is published each year and may be obtained from American Legion, Attn.: Emblem Sales, P.O. Box 1055, Indianapolis, IN 46206.

Meeting College Costs, a College Board publication, is updated annually and explains how to apply for student financial aid. A free copy of this pamphlet, as well as a listing of other College Board publications on student financial aid, may be requested from College Board Publication Orders, Box 2815, Princeton, NJ 08541.

There are also some student aid programs designed to assist specific groups--Hispanics, Blacks, Native Americans, and women, for example. *Selected List of Postsecondary Education Opportunities for Minorities and Women*, published by the U.S. Department of Education, is a useful guide to organizations that offer loan, scholarship, and fellowship assistance, with special emphasis on aid for minorities and women. This publication is in many libraries, but may also be purchased for $6.00 from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (GPO stock number 065-000-0018-7).

Pell Grant

This is the largest federal student aid program. The maximum grant to eligible students is $1,900, and the award amount is based on full- or part-time status, length of enrollment during the academic year, the cost of education at the chosen school, and the student's financial aid application.

Supplemental Educational Opportunity Grant (SEOG)

The U.S. Department of Education guarantees that each participating school will receive enough money to pay the Pell Grants of its students. An SEOG is different. Each school receives a set amount of money for SEOGs, and once that money is gone, there are no more grants for the academic year. That's why it's important to meet the school's financial aid deadlines.

Students can receive up to $2,000 a year, depending on need, the availability of SEOG funds, and the amount of other aid they are receiving.

Loans

Loans usually are obtained through banks, savings and loan institutions, or credit unions and have a low interest rate. Payment is usually deferred until after graduation from college.

Guaranteed Student Loan (GSL)

This program enables the student to borrow directly from a bank, credit union, savings and loan association, or other participating lender that is willing to make the educational loan. These loans are insured by the guarantee agency in your state and reinsured by the federal government.

Students may apply for a loan if they are enrolled or have been accepted for enrollment at least half-time in an eligible college or university; a school of nursing; or a vocational, technical, trade, business, or home study school. Students do not need a high school diploma in order to borrow.

The maximum that may be borrowed is $2,500 a year for an undergraduate ($3,000 if the undergraduate is independent), and $5,000 a year for graduate students (in some states these figures may be less). The total outstanding GSL debt allowed an undergraduate is $12,500. The total for graduate or professional study is $25,000, including any loans made at the undergraduate level.

For new borrowers, the interest rate is 8 percent. For students who currently have a 7 or 9 percent GSL, the rate on additional GSLs will continue to be 7 or 9 percent.

Families with an adjusted gross income of more than $30,000 will be asked to prove need before a loan is approved.

PLUS Loan

Like Guaranteed Student Loans, PLUS loans are made by a lender such as a bank, credit union, or savings and loan association. These loans, which provide additional funds for educational expenses, do not require a show of need, although borrowers may have to undergo a credit analysis. The interest rate for these loans is 12 percent.

National Direct Student Loan (NDSL)

This program is for both graduate and undergraduate students who are enrolled at least half-time in a participating postsecondary institution and who need a loan to meet their educational expenses. An NDSL is a low-interest (5 percent) loan that is made through the school's financial aid office. All schools do not take part in the NDSL Program.

A student may borrow a total of $3,000 if enrolled in a vocational program, or if he or she has completed less than two years of a program leading to a bachelor's degree. The limit is $6,000 for students who have already completed two years of study toward a bachelor's degree, and $12,000 for graduate or professional study.

Information about programs administered by the U.S. Department of Education is presented in the pamphlet *The Student Guide: Five Federal Financial Aid Programs, 1984-85.* This pamphlet is revised every year. You may request the current edition by calling, toll-free, 1-800-638-7000 (residents of Maryland should call 1-800-492-6602), or by writing to:

U.S. Department of Education
Office of Student Financial Assistance
P.O. Box 84
Washington, DC 20044

For information on state scholarships and loans, call your state's Department of Education, Higher Education Division.

COMPANY-SPONSORED AID

Many companies grant aid through tuition reimbursement for college courses These courses usually must have a direct relationship to the job you are presently doing. Most companies will not finance educational courses designed to help you move into another job. In some companies, only employees in certain classifications are eligible. Check with your supervisor or with the personnel department.

HOW TO ASK FOR A RAISE USING COLLECTIVE ACTION

Assertiveness will not solve all job problems. Company policies may need to be questioned with the aid of co-workers negotiating for the whole group. The process of negotiating for a raise is an example.

In some offices, it may be possible (and more productive) to pursue raises or changes in the systems as a group, or to begin discussions with your co-workers. It's important to encourage your co-workers to discuss salaries with one another. Breaking down salary secrecy is essential. If people are reluctant, begin by discussing raise percentages. Encourage people to gripe about their salaries--at least management won't be able to insist that all employees are happy with what they're making.

If your group (department, section) wants to pursue a formal salary discussion with management, use the suggestions above when you are preparing your case. Instead of arguing simply for increases that may be impossible to get, you may want to ask for department-wide job grade changes, a new review schedule, or an increase in the amount your department head allocates for raises, if he or she has that authority.

For example, a group of legal secretaries with eight or more years of seniority found that entry-level salaries were almost as high as theirs. They researched the problem, discussed salaries among themselves, and presented their case in a memo. They won a new rating procedure and an across-the-board adjustment.

At a large insurance firm where the salary structure is very rigid, a group of women who made up a single department were very poorly paid in comparison with others in the company whose work was similar. They asked to be reclassified on the basis of their informal comparison and won a higher job grade and with it more money.

Source: Developed by 9 to 5 Organization for Office Workers, Boston. Used with permission.

SESSION II RESOURCE LIST

BOOKS

Angel, Juvenal L. *Modern Vocational Trends and Reference Handbook.* New York: Simon and Schuster, 1969.

Bolles, Richard N. *What Color Is Your Parachute?* Rev. ed. Berkeley, Calif.: Ten Speed Press, 1981.

Campbell, David P. *If You Don't Know Where You're Going, You'll Probably End Up Somewhere Else.* Allen, Tex.: Argus Communications, 1974.

College Entrance Examination Board, Frances C. Thompson, ed. *The New York Times Guide to Continuing Education in America.* New York: Times Books, 1973.

Herbert, Tom, and John Coyne. *Getting Skilled: A Guide to Private Trade and Technical Schools.* New York: E. P. Dutton, 1976.

Hoyt, Kenneth B., et al. *Career Education: What It Is and How to Do It.* 2d ed. Salt Lake City: Olympus Publishing, 1974.

Miller, Gordon P. *Life Choices: How to Make the Critical Decisions--About Your Education, Career, Marriage, Family, Life-Style.* New York: Thomas Crowell, 1978.

Splaver, Sarah. *Your Career--If You're Not Going to College.* Rev. ed. New York: Julian Messner, 1971.

GENERAL RESOURCES

Catalyst Publications, 14 East 60th Street, New York, NY 10022.

Career information and self-guidance material primarily for college graduates.

U.S. Department of Labor, Bureau of Labor Statistics. *Dictionary of Occupational Titles.* Washington, D.C.: Government Printing Office, 1983.

_____. *Occupational Outlook Handbook 1982-83 Edition.* Washington, D.C.: Government Printing Office, 1983.

EDUCATIONAL BROKERS

Agencies that match you and your needs with the programs, materials, and other resources available in your field of interest. Free or low cost. Listed below are some major educational brokers around the country.

Eastern Programs

Career Counseling Service
Ocean State Training Center
Building 808
Quonset Point, RI 02819
(401) 294-2150

Pennsylvania Adult Counseling Program
Department of Education
Box 911
Harrisburg, PA 17126
(717) 787-9602

Compact for Lifelong Education Opportunities
37 South 16th Street
Philadelphia, PA 19102
(215) 425-2536

Regional Learning Service of Central New York
405 Oak Street
Syracuse, NY 13203
(315) 425-5252

Southern and Midwestern Programs

Community Based Counseling for Adults
Office of Student Services
University of Wisconsin-Extension
Lake Street
Madison, WI 53706
(608) 263-2055

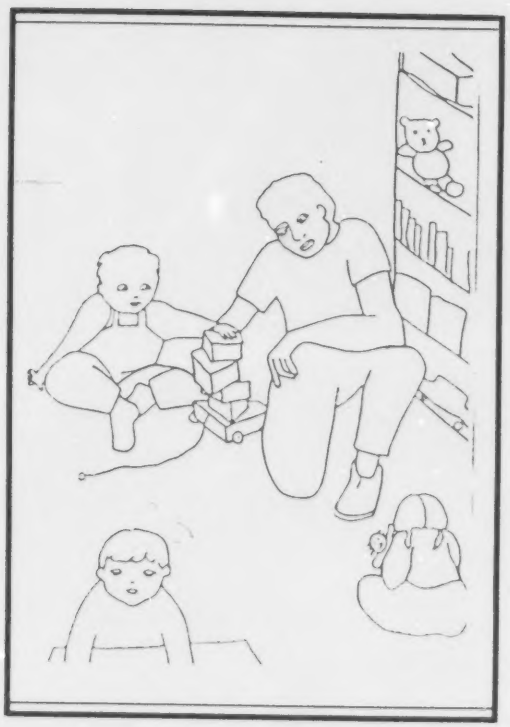
Greater Cleveland External Degree Service
5000 Rockside Road, Suite 408
Independence, OH 44131
(216) 447-4466

Western Programs

Wenatchee Valley College-North
Box 2058
Omak, WA 98841
(509) 826-4901

SESSION III

HOW TO FIND QUALITY CHILD CARE ON A BUDGET



SESSION III WORKSHOP OUTLINE

GOALS

- To teach participants how to evaluate child care options
- To provide information on types of child care available
- To help women budget for child care

ACTIVITIES	Suggested Time
Introduction: Child Care Quiz Participants examine their own knowledge about the child care needs of working women and the availability of child care services.	30 mins.
Child Care Money Matters Leader presents information on approximate costs for different kinds of care and leads a discussion on budgeting, sliding scale fees, and ways to reduce child care costs.	20 mins.
Solving Your Child Care Problems Small groups use a problem-solving outline to suggest solutions to three case studies of typical child care problems.	15 mins.
Checking Out Child Care Participants brainstorm about what they look for in a care giver and a child care center and review the checklist in the handout *A Parent's Guide to Day Care*.	15 mins.
Finding Child Care Group discusses what a child care information and referral center is and how it can help working mothers. Leader distributes the handout Directory of Federal Agencies Supporting Day Care.	10 mins.
Summary and Homework Assignment Leader summarizes what has been covered in the session and suggests activities for the participants to do at home.	10 mins.

WORKSHOP MATERIALS

For Participants

Child Care Quiz
Facts and Figures on Day Care
Child Care Terms
Child Care Money Matters
Child Care Case Studies for Small Groups
Excerpt from *A Parent's Guide to Day Care*
Directory of Federal Agencies Supporting Day Care
Resource List

Background Information for Leader

*A Parent's Guide to Day Care**
Day Care: 'In-House' Children at the Workplace

*See Resource List for information on how to order.

SESSION III ACTIVITIES

INTRODUCTION: CHILD CARE QUIZ

PURPOSE

- To give an overview of the child care needs of working women and the availability of child care services

INSTRUCTIONS

1. Ask participants to introduce themselves by telling their names and the number and ages of their children. Explain to the group that there are three types of child care: in-home care, family day care, and center care. Ask how many of the participants are using each of these.

2. Describe the goals of the session:

   "The major goals of this workshop are to give you the tools to select, evaluate, and budget for quality child care. It is important that you be able to make a thoughtful decision for your child's safety, health, and well-being based on your income or your and your husband's income."

3. Hand out the Child Care Quiz and give participants 10 minutes to fill it out. Following the quiz, distribute the two handouts Facts and Figures on Day Care and Child Care Terms. Go over each question, asking participants to refer to these fact sheets to find the correct answers.

ANSWERS TO CHILD CARE QUIZ

1. (c) 6,358,000
2. (c) 25,000,000
3. (c) Between 2 and 4 million
4. (b) 20,000
5. (d) Children 3 to 5 years old
6. Yes; most are unlicensed
7. Yes
8. No
9. Yes

10. Yes

11. Yes

12. Yes

13. Yes; most child care is done on an informal basis by relatives or neighbors for an exchange of services

14. No; it means that there are more children in proportion to the number of care givers

4. Summarize the major points brought out by the quiz:

- There are fewer licensed day care centers in the country than are needed.
- Centers must be licensed.
- Some family day care homes are not licensed.
- Most child care arrangements are informal, i.e., in homes of a family or relatives.
- More than half of school-age children are left by themselves after the school day ends.
- Very few child care centers take infants (children less than two years old).

CHILD CARE MONEY MATTERS

PURPOSE

- To provide information on child care costs and ways to reduce these costs through budgeting, sliding fee scales, government subsidies, and tax credits

INSTRUCTIONS

1. Distribute the handout Child Care Money Matters. This sheet lists approximate costs of different kinds of child care in Maryland. Supplement this information with costs from your area, if possible, and have participants fill in the data.

2. Present the following information and allow time for questions:

   "Parents want to purchase care at a price that does not compete excessively with other budgetary items.

   "All care is costly. The average annual center care costs nationally were about $2,500 in 1983 and will probably be higher in 1984. You should consider the trade-off with other things you want and need, such as food, clothing, shelter, and transportation.

   "The price of center day care increases when there is a low child/staff ratio and when care givers earn a higher wage because of their training. Approximately 80 percent of the expense of operating a center is for salaries.

   "When you are planning your child care budget, be sure to include any transportation costs. Will you be asked to pay for the care giver's car, bus, or taxi fare to and from your home? What will it cost you and your child to get to and from the sitter? Does the center charge extra if it provides transportation?

   "Be sure to find out how payments are made to the center. Are they weekly or monthly? Is there a late charge?

   "Parents should investigate centers that offer a sliding fee scale. These scales mean that the rate charged is based on your income; the lower your income, the lower the rate.

   "Ask the family day care provider whether you will be charged for days when your child is not in care due to illness, holiday, or emergency.

"Parents can seek scholarship aid or ask if they may volunteer their services in return for part of the fee.

"There are some federal programs that help with child care costs. To find out if you meet the income and other eligibility requirements, contact your local, county, or state welfare, social services, or human resources department. Head Start, Title XX of the Social Security Act, Title I, and the Work Incentive Program (WIN) are among the federal programs that can help pay for day care. Also, there are local social service programs that provide some help."

SOLVING YOUR CHILD CARE PROBLEMS

PURPOSE

- To expose participants to a step-by-step approach to analyzing typical child care problems and to involve them in defining possible solutions

INSTRUCTIONS

1. Divide the group into smaller groups of three to five people. Distribute the handout Child Care Case Studies for Small Groups. Assign each group a case study to work on and instruct them to take five minutes to use the following steps to come up with a solution.

   Write these steps on the chalkboard:

   a. Define the problem.

   b. Collect the facts.

   c. Ask for opinions from everyone in the group.

   d. Consider all solutions.

   e. Pick the best/most creative solution and assign a reporter who will share this solution with the whole group.

2. Ask each reporter to read her group's case study aloud and present the solution selected. Allow time for an exchange of ideas, comments, and suggestions. In each instance, make sure that the reporter states why the particular form of child care was selected and if it is affordable for working women with low incomes.

POSSIBLE CASE STUDY SOLUTIONS

I

1. Baby-sitter in their own home
2. Family day care provider
3. Flex time at the job
4. Combination of baby-sitter and family day care provider

II

1. Day care center for the four-year-old and after kindergarten session for the six-year-old.

2. Combination of center care and baby-sitter for both children

3. Combination of morning nursery school and baby-sitter for both children

III

1. Three-year-old child could be in family day care; seven- and ten-year-olds could be in an after school center

2. Three-year-old could be in child care center and seven- and ten-year-olds could be in same center if services were provided for after school; if not, seven- and ten-year-olds could be in a different center

3. Child three years old could be in morning nursery school; neighbor could be employed to watch three-year-old in the afternoon and the other two children after school

4. Father could watch the three-year-old until he goes to work or after afternoon nursery, and sitter could watch all three children until Helen returns home from work.

CHECKING OUT CHILD CARE

PURPOSES

- To list the concerns that working women have about child care
- To prepare participants to assess how different kinds of child care address these concerns and needs

INSTRUCTIONS

1. Write these two questions on the board:

   a. What do I want to know about my care giver?

   b. What do I want to know about my child care center?

2. Ask participants to suggest key words under each category and write them down. For example, under care giver you might have *warm*, *experienced*, and *accepting*. Under center could be *safe*, *convenient*, *licensed*, and *inexpensive*. Continue brainstorming with the group and formulate two lists that have between 25 and 50 words and phrases when you are finished.

3. Next, ask each participant to jot down two or three questions that she would ask a potential care giver or center director, based on the concerns listed above. Fill in the suggested questions with the ones below.

   For the Care Giver

   - Is your home licensed?
   - What experience do you have?
   - How many other children are in your home? Ages? Are any your own?
   - What is the cost for the hours I need? Do I have to pay for any hours when my child isn't there?
   - How long have you been a provider?
   - Do you have references I may call?
   - What would you do in the following situations (list some)?
   - What happens if you are ill?

For the Center Director

- How much will it cost to place my child here? How are payments made?
- What are the hours? What happens if I arrive earlier? leave later?
- What activities do you provide for the children?
- Do you have any special teaching philosophy (e.g., bilingual, Montessori, religious)?
- What kinds of food are provided?
- What are the staff requirements? How many teachers do you have? What are their backgrounds?
- How often is the center inspected?
- What prerequisites are necessary for my child to be enrolled?
- How will I participate?

4. Following this activity, distribute the handout A Parent's Guide to Day Care, which contains a checklist for parents. This handout is excerpted from a government publication that appears in the Resource List.

FINDING CHILD CARE

PURPOSE

- To guide participants to resources that can help them find quality child care

INSTRUCTIONS

1. Hand out the Directory of Federal Agencies Supporting Day Care and the Resource List. Obtain a directory of state day care agencies and use the chalkboard to list appropriate state agencies.

2. Discuss how information and referral services work and how they can help working parents. For example, information and referral services can help parents find care for children with special needs (bilingual, handicapped, religious preferences). Further, such services can also give parents leads about financial aid, transportation sharing, and toy exchanges and can provide parents with an opportunity to share information.

3. Ask participants to share any experiences they have had with information and referral services. Compile a list of such services in your area.

SUMMARY AND HOMEWORK ASSIGNMENT

INSTRUCTIONS

1. Summarize the major points covered in the session:

   "Child care is an economic necessity for steadily increasing numbers of American families. It will also constitute a large part of the experience of young children.

   "We have seen that many different child care settings exist and that it is important for parents to consider their needs, concerns, and income when deciding what type of service to use.

   "We should also consider what parents can do to increase the amount of low-cost, quality child care by acting as advocates on behalf of their children.

   "For working women with low incomes, the cost of care represents a burden that needs to be addressed through public policy, such as the child care tax credit, cafeteria-style benefit packages that include child care services, work-site day care centers, and flex time for working parents."

2. Suggest that participants do one of the following homework assignments:

   a. Call a few day care centers and care givers and ask them some of the questions the group came up with in the activity Checking Out Child Care.

   b. Find out if they are eligible for help with child care costs through federal, state, county, or local programs.

3. Describe what next week's session will cover.

   "Next week we will talk about how to use planning skills to prepare for retirement and learn about retirement income options."

PARTICIPANT HANDOUTS

CHILD CARE QUIZ

1. In 1981 how many working women had children under 6 years old?

   (a) 65,380 (b) 653,800 (c) 6,538,000

2. In 1990 how many children under 13 years of age will have mothers who hold jobs outside the home?

   (a) 250,000 (b) 2,500,000 (c) 25,000,000

3. About how many children between the ages of 7 and 13 are left by themselves after school?

   (a) Between 20,000 and 40,000 (b) Between 200,000 and 400,000 (c) Between 2 and 4 million

4. How many child care centers exist in the United States?

   (a) 10,000 (b) 20,000 (c) 40,000

5. The largest group of children in centers is:

   (a) Infants 6 to 8 months old (b) Toddlers 18 months to 3 years old

   (c) Children 2 to 4 years old (d) Children 3 to 5 years old

6. Most child care centers operate without a license.

   Yes_____ No_____

7. Regulations for child care centers are imposed by both the state and the federal government.

   Yes_____ No_____

8. Only people who are on welfare are eligible for a day care subsidy.

   Yes_____ No_____

9. A proprietary day care center is a business that makes a profit.

   Yes_____ No_____

10. Each state is responsible for inspecting day care centers.

    Yes_____ No_____

11. Family day care providers are people who open their homes to children for a set fee.

Yes_____ No_____

12. Day care centers can provide care for infants.

Yes_____ No_____

13. Most day care in the United States is free.

Yes_____ No_____

14. A child care center that has a high child/staff ratio is one in which there are many care givers for a small group of children.

Yes_____ No_____

FACTS AND FIGURES ON DAY CARE

1. In 1981 46.8 percent of all working women had children under the age of 6.

2. In 1981 there were 6,538,000 women in the labor force with children under 6 years of age.

3. By 1990 there will be 25 million children under 13 years of age whose mothers work.

4. A 1978 survey showed that 70 percent of mothers with children under 6 years of age use informal, unlicensed child care facilities. These include leaving the child at home with a relative; boarding the child with a neighbor; or using an informal, family day care service.

5. Another 1978 survey showed that child care licensed by the federal government is available for 1.6 million children under 6 years of age--in centers, homes, infant care facilities, and after school programs. Special needs care for children with disabilities or families experiencing emergencies is also available.

6. An estimated 2 million children between the ages of 7 and 13 are "latchkey children" for whom no care is provided after school.

7. The *National Day Care Study* by Abt Associates of Cambridge, Massachusetts, gives the following figures from a 1977 survey:

   a. There were 18,300 child care centers in the United States.

   b. About 8,000 centers receive direct government reimbursement. These are called Federal Financial Participation Centers and serve approximately 400,000 children. About 225,000 of those children have at least part of their care paid for by the government. The cost of the care for the other 175,000 children was paid for by parents.

   c. About 40 percent of all child care centers operate on a for-profit basis.

   d. The remaining 60 percent of centers are nonprofit and may be run by church, synagogue, or local community organizations.

   e. About 72 percent of children in child care centers are 3 to 5 years old, whereas 14 percent are infants/toddlers, and another 14 percent are of school age.

   f. There are 5.1 million children in family day care homes and 90 percent of these homes operate without a license.

CHILD CARE TERMS

Activities: The organized, supervised recreation that takes place in the home or center that will help your child grow mentally, physically, socially, and emotionally.

Care giver: A person who provides warm and loving care to your child and who works with you to make sure your child is growing and learning in the best possible way. Care givers are involved in the three types of care mentioned below (in-home care, family day care, and center-based care). The qualifications for care givers will vary depending on the size and location of the type of child care you select.

Center-based care: Nursery schools, play groups, and day care centers are types of center-based care. They are places where children are cared for in a group away from their homes for part of the day.

Child categories: Infants are under 18 months old, toddlers are 18 months to 36 months, preschoolers are 3 years to 6 years of age, and school-age children are between 6 years and 13 years of age.

Child/staff ratio: In a child care setting, the child/staff ratio means the number of children in a group in relationship to the number of care givers assigned to the group. For instance, if the center states that the child/staff ratio is 5 to 1, this means that for every five children, there is one care giver. This is then a low child/staff ratio.

Cooperative nursery school: A program for preschool children that includes parent participation in the center's operation so that fees are generally lower than in other nursery schools.

Eligibility for Title XX social services: Persons eligible for social services such as day care provided under Title XX of the Social Security Act are recipients of AFDC (Aid to Families with Dependent Children) benefits, participants in SSI (Supplemental Security Income) programs, and, at the state's option, other people who meet state and federal income limitations.

Each state may set eligibility limits. Any individual is eligible to receive the following services provided under Title XX without regard to income: family planning information, information and referral, and any service having the goal of preventing or remedying neglect, abuse, or exploitation of children or adults unable to protect their own interests.

Family day care: Is provided in the home of a care giver who is often a mother with children of her own. Usually just a few children are cared for at any one time. In some localities, when a family day care home cares for 6 to 12 children, the local government calls it a group home and requires more than one adult to be on hand to care for the children.

Information and referral services (I & R): A resource that provides information to individuals about day care services available in the community. It usually provides the names, addresses, and phone numbers of several day care centers or family day care homes that would be convenient to the home or place of work of the family making the inquiry. I & R would also have information about costs and special features such as infant care, bilingual centers, centers for the handicapped, etc.

In-home care: A child is cared for in his or her own home by someone, possibly a relative, possibly a friend or neighbor. This service is provided for a set fee, no fee at all, or in exchange for goods or services provided by the parent(s).

Licensing agency: The city, county, or state in which you live has an agency that is responsible for inspecting the day care homes and centers before they begin operation and when licenses are renewed. In addition, if there is a complaint from parents about a home or center, this agency must investigate the problem. These agencies are cited on pages 61-65 of *A Parent's Guide to Day Care* (see Resource List for Session III).

Nonprofit day care: Care is provided by a nonprofit public or private agency or organization.

Nursery school: A morning and/or afternoon program is provided for preschool children for a five-day week or less.

Private-pay day care: Care is supported by parent fees.

Proprietary day care: Care is provided on a for-profit basis by an individual, business concern, or franchise.

Regulations: All states have regulations concerning family day care homes and day care centers. Family day care homes may be licensed, certified, registered, or approved according to individual state laws. All centers must be licensed. Regulations exist to ensure that each home or center meets health and safety requirements.

Setting: The home or center where your child will be healthy, safe, and secure.

CHILD CARE MONEY MATTERS

WHAT WILL IT COST?

The following figures represent average child care costs nationwide in 1983. These figures take into account the subsidies that families receive. Families that do not receive community, government, or employer subsidies may have to pay as much as 50 percent more.

In Home	Family Day Care	Center Care
Cost ranges from $.50 per hour to minimum wage. Cost varies according to type of caregiver. Babysitters (often teenagers) are paid less than adults. If household duties are included, expect to pay more.	Average cost is $.89 per hour.	Cost ranges from $.63 per hour to $2.44 per hour. These figures reflect the costs for children of all ages who attend day care centers. Expect costs for children under age two to be slightly higher than for older children

Locally

In Home	Family Day Care	Center Care

To find out what sitters, housekeepers, and family day care providers charge in your area, check the classified section of your newspaper under Babysitting, Domestic Services, or Situations Wanted. Licensed family day care homes are usually listed with the city health and/or human services department. To find out what centers charge, call the licensing agency (see list of State Day Care Agencies) or two or three centers listed in the Yellow Pages under Day Nurseries and Child Care. If there is an Information and Referral Service (see the child care directory in your city), you can get all of the above information from that source.

CHILD CARE CASE STUDIES FOR SMALL GROUPS

I

Mary Baker is a secretary who works for a life insurance company and makes $8,500 a year. She has a six-month-old daughter and is returning to work after a maternity leave. Her hours are 8 a.m. to 4:30 p.m., and her husband works from 9 a.m. to 6 p.m. What type of child care would be convenient and affordable?

II

Doris Herman is a single parent with two sons, four and six years of age. She earns $12,000. She works in a downtown bank about 30 minutes from her home. She receives child support payments. What kind of arrangements could she make for her children that would be convenient and affordable?

III

Helen Williams is a secretary who makes $9,000 annually in a manufacturing plant located in the center of the city. She has three children, aged three, seven, and ten. Her husband works in the printing department of the city's newspaper from 3 to 11 p.m. each day and earns $15,000 a year. What type of arrangements could she and her husband make for their children that would be convenient and affordable?

EXCERPT FROM *A Parent's Guide to Day Care*

WHAT IS GOOD DAY CARE?

Good day care requires three important things:

A caregiver who provides your child with care and guidance and who works with you and your family to make sure that your child grows and learns in the best way possible.

A setting that keeps your child safe and healthy.

Activities that are suited to your child's stage of growth and that help the child develop mentally, physically, socially and emotionally.

Consider these questions as you choose Day Care:

What type of caregiver would be best? A good caregiver should be well-trained, warm and loving toward children. Whether your child is an infant, toddler, preschooler or school-ager, the caregiver should encourage the child's interests and stimulate the child to explore and discover new things.

Is the setting suitable? Whether you use in-home care, family day care, or center care, the facilities should be safe and healthy. The equipment--games, toys and furniture--should be in good repair and appropriate for your child. The number of children in your child's group should be small enough to allow your child to receive individual attention.

What will the cost of care be? Day care costs can vary widely, depending on the type of care you use, the days and hours you need care, the part of the country you live in, and other factors. You should investigate the costs of different kinds of day care available, including the costs of transportation for your child to and from the day care setting. You'll also want to find out if your family qualifies for local, State or Federal financial assistance that will help pay for care of your child.

The checklist for parents [which appears on pages 95-98] . . . will help you decide what kind of day care arrangement will provide your child with good quality care in a suitable setting--at a cost that you can afford.

Any kind of day care can be good for your child if the care provides the warmth, supervision and individual attention your child needs. In fact,

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Source: *A Parent's Guide to Day Care*, Administration for Children, Youth and Families, U.S. Department of Health and Human Services, 1980. Reprinted with permission.

you may want to use more than one kind of care for your children--for example, in-home care for your infant and center-based care for your preschooler.

IN-HOME CARE

An in-home caregiver is someone who comes to, or lives in, your home. The caregiver can be a relative or a friend or can also be someone you pay to come to your home. If you have three or more children needing care, in-home care may be less expensive than other kinds of care. It can also save you from the worry of getting several children, all with different schedules, to and from a day care arrangement outside your home.

You may also want to use in-home care if your child needs special care because of a physical, mental or emotional problem; if you need care for an infant or toddler, or care for a child at night; if you need only after-school care.

You should know, however, that in-home care can be costly, especially if you have only one or two children and are paying someone for full-time care.

In interviewing in-home caregivers, you'll want to find out about their training and experience, their attitude toward children, and their ability to handle children who disobey.

FAMILY DAY CARE

This kind of day care is provided in the home of the caregiver, who is often a mother with children of her own. You may find a relative, friend or neighbor who is willing to care for your child in this way. Or you may find a family day care home run by someone you do not already know.

Usually, just a few children are cared for at any one time. In some places, when a family day care home cares for 6 to 12 children, the local government calls it a "group home" and requires more than one adult to be on hand to care for the children.

Family day care can be a good arrangement: if you are a single parent raising a child alone; if you live in a rural area where family day care is likely to be the easiest to find; if you have only one or two children needing care; if you have a school-age child.

Keep in mind that a family day care provider may go out of business or stop caring for children at any time. And because many of these homes are not inspected or licensed by local or State agencies, it will be up to you to make sure that adequate health and safety standards are met.

CENTER-BASED CARE

Day care centers are established settings where children are cared for in a group away from their homes for all or part of the day. There are many different kinds of center-based care, including nursery schools, preschools, and parent cooperatives. Some of these centers are set up primarily to keep children safe and secure; others are designed to prepare children for their school years. Center-based care is most frequently available in a town or city.

Many day care centers have an organized program of activities to help children learn. Some centers follow a formal plan, perhaps one developed by a well-known educator. Others use a more informal program based on their day-to-day experience working with children.

You may be interested in center-based care: if you want to keep your child in the same day care setting for an extended period; if your child needs special care because of a physical or mental handicap or an emotional problem; if you want certain educational or religious activities for your child; if, in addition to care, your child will need medical or dental checkups, or psychological or social services.

Keep in mind that center-based care may not provide the "home" atmosphere some children like. Your child may not be comfortable in a large group for a major part of each day.

In considering a particular day care center, check out the facilities available, the qualifications of the staff, and the number of children cared for by each caregiver (the "child/staff ratio"). Talk to the director to make sure the center's program has the approach you like and includes the kinds of activities you want for your child.

A CHECKLIST FOR PARENTS

This checklist [see following pages] is designed to help you decide what things about a day care arrangement are most important to you and your family. It can also help you make sure your child's arrangement offers the things you believe are important.

Remember, this checklist tries to be as complete as possible. Not everything will apply to your family's situation. Look at the headlines in the lefthand column to see what you should read and what you can skip.

DOES YOUR CHILD'S CAREGIVER . . .

For All Children	Yes	No
1. Appear to be warm and friendly?	___	___
2. Seem calm and gentle?	___	___
3. Seem to have a sense of humor?	___	___
4. Seem to be someone with whom you can develop a relaxed, sharing relationship?	___	___
5. Seem to be someone your child will enjoy being with?	___	___
6. Seem to feel good about herself and her job?	___	___
7. Have child-rearing attitudes and methods that are similar to your own?	___	___
8. Treat each child as a special person?	___	___
9. Understand what children can and want to do at different stages of growth?	___	___
10. Seem to have enough time to look after all the children in her care?	___	___
11. Help your child to know, accept, and feel good about him- or herself?	___	___
12. Help your child become independent in ways you approve?	___	___
13. Help your child learn to get along with and to respect other people, no matter what their backgrounds are?	___	___
14. Provide a routine and rules the children can understand and follow?	___	___
15. Accept and respect your family's cultural values?	___	___
16. Take time to discuss your child with you regularly?	___	___
17. Have previous experience or training in working with children?	___	___
18. Have a yearly physical exam and TB test?	___	___

And If You Have an Infant or Toddler (Birth to Age 3)	Yes	No
1. Seem to enjoy cuddling your baby?	___	___
2. Care for your baby's physical needs such as feeding and diapering?	___	___
3. Spend time holding, playing with, talking to your baby?	___	___
4. Provide stimulation by pointing out things to look at, touch, and listen to?	___	___
5. Provide dependable and consistent care so your baby can form an attachment and feel important?	___	___
6. Cooperate with your efforts to toilet train your toddler?	___	___
7. Have the right materials and equipment on hand to help them learn and grow mentally and physically?	___	___
8. Patiently help children solve their problems?	___	___
9. Provide activities that encourage children to think things through?	___	___
10. Encourage good health habits, such as washing hands before eating?	___	___
11. Talk to the children and encourage them to express themselves through words and language?	___	___
12. Encourage children to express themselves in creative ways?	___	___
13. Have art and music supplies suited to the ages of all children in care?	___	___
14. "Child-proof" the setting so your toddler can crawl or walk safely and freely?	___	___
15. Realize that toddlers want to do things for themselves and help your child to learn to feed and dress him- or herself, go to the bathroom, and pick up his or her own toys?	___	___

	Yes	No
16. Help your child learn the language by talking with him or her, naming things, reading aloud, describing what she is doing, and responding to your child's words?	___	___

And If Your Child Is a Preschooler (Aged 3 to 5 or 6)

1. Plan many different activities for your child?	___	___
2. Join in activities herself?	___	___
3. Set consistent limits which help your child gradually learn to make his or her own choices?	___	___
4. Recognize the value of play and encourage your child to be creative and use his or her imagination?	___	___
5. Help your child feel good about him- or herself by being attentive, patient, positive, warm, and accepting?	___	___
6. Allow your child to do things for him- or herself because she understands children can learn from their mistakes?	___	___
7. Help your child increase his or her vocabulary by talking with him or her, reading aloud, and answering questions?	___	___

And If Your Child Is School-Age (Aged 6 to 14)

1. Give your child supervision and security but also understand his or her growing need for independence?	___	___
2. Set reasonable and consistent limits?	___	___
3. At the same time, allow your child to make choices and gradually take responsibility?	___	___
4. Understand the conflict and confusion that growing children sometimes feel?	___	___
5. Help your child follow through on projects, help with homework, and suggest interesting things to do?	___	___
6. Listen to your child's problems and experiences?	___	___
7. Respect your child when he or she expresses new ideas, values, or opinions?	___	___
8. Cooperate with you to set clear limits and expectations about behavior?	___	___
9. Understand the conflicts and confusion older school-age children feel about sex, identity, and pressure to conform?	___	___
10. Provide your child with a good adult image to admire and copy?	___	___

DOES THE DAY CARE HOME OR CENTER HAVE . . .

For All Children

1. An up-to-date license, if one is required?	___	___
2. A clean and comfortable look?	___	___
3. Enough space indoors and out so all the children can move freely and safely?	___	___
4. Enough caregivers to give attention to all of the children in care?	___	___
5. Enough furniture, playthings, and other equipment for all the children in care?	___	___
6. Equipment that is safe and in good repair?	___	___
7. Equipment and materials that are suitable for the ages of the children in care?	___	___

	Yes	No
8. Enough room and cots or cribs so the children can take naps?	___	___
9. Enough clean bathrooms for all the children in care?	___	___
10. Safety caps on electrical outlets?	___	___
11. A safe place to store medicines, household cleansers, poisons, matches, sharp instruments, and other dangerous items?	___	___
12. An alternate exit in case of fire?	___	___
13. A safety plan to follow in emergencies?	___	___
14. An outdoor play area that is safe, fenced, and free of litter?	___	___
15. Enough heat, light, and ventilation?	___	___
16. Nutritious meals and snacks made with the kinds of food you want your child to eat?	___	___
17. A separate place to care for sick children where they can be watched?	___	___
18. A first aid kit?	___	___
19. Fire extinguishers?	___	___
20. Smoke detectors?	___	___
21. Covered radiators and protected heaters?	___	___
22. Strong screens or bars on windows above the first floor?	___	___
And If You Have an Infant or Toddler (Birth to Age 3)		
1. Gates at tops and bottoms of stairs?	___	___
2. A potty chair or special toilet seat in the bathroom?	___	___
3. A clean and safe place to change diapers?	___	___
4. Cribs with firm mattresses covered in heavy plastic?	___	___
5. Separate crib sheets for each baby in care?	___	___

	Yes	No
And If Your Child Is a Preschooler (Aged 3 to 5 or 6)		
1. A stepstool in the bathroom so your preschooler can reach the sink and toilet?	___	___
And If Your Child Is School-Age (Aged 6 to 14)		
1. A quiet place to do homework?	___	___
2. Places to store personal belongings?	___	___
ARE THERE OPPORTUNITIES . . .		
For All Children		
1. To play quietly and actively, indoors and out?	___	___
2. To play alone at times and with friends at other times?	___	___
3. To follow a schedule that meets young children's need for routine but that is flexible enough to meet the needs of each child?	___	___
4. To use materials and equipment that help children learn new physical skills and to control and exercise their muscles?	___	___
5. To learn to get along, to share, and to respect themselves and others?	___	___
6. To learn about their own and others' cultures through art, music, books, songs, games, and other activities?	___	___
7. To speak both English and their family's native language?	___	___
8. To watch special programs on television that have been approved by you?	___	___
And If You Have an Infant or Toddler (Birth to Age 3)		
1. To crawl and explore safely?	___	___
2. To play with objects and toys that help infants to develop their senses of touch, sight, and hearing? (For example, mobiles, mirrors, cradle		

	Yes	No
gyms, crib toys, rattles, things to squeeze and roll, pots and pans, nesting cups, different sized boxes)	___	___
3. To take part in a variety of activities that are suited to toddlers' short attention spans? (For example, puzzles, cars, books, outdoor play equipment for active play; modeling clay, clocks, boxes, containers for creative play)	___	___

And If Your Child Is a Preschooler (Aged 3 to 5 or 6)

1. To play with many different toys and equipment that enable preschoolers to use their imaginations? (For example, books, musical instruments, costumes)	___	___
2. To choose their own activities, for at least part of the day?	___	___
3. To visit nearby places of interest, such as the park, the library, the fire house, a museum?	___	___

And If Your Child Is School-Age (Aged 6 to 14)

1. To practice their skills? (For example, sports, musical instruments, drama activities, craft projects)	___	___
2. To be with their own friends after school?	___	___
3. To do homework?	___	___
4. To use a variety of materials and equipment, including art materials, table games, sports equipment, books, films, and records?	___	___
5. To use community facilities such as a baseball field, a swimming pool, a recreation center?	___	___

FIND OUT ABOUT THE DAY CARE REGULATIONS IN YOUR AREA

In every State, all day care centers must be licensed. According to laws that vary from State to State, family day care homes may be licensed, certified, registered or approved--or they may not be inspected at all.

You'll find it helpful to know about the day care regulations in your area. For information on your State's day care regulations, contact the licensing division in the State's health or social services department. For information on Federal day care regulations, write to the Day Care Division, Administration for Children, Youth and Families, P.O. Box 1182, Washington, DC 20013.

BEST COPY AVAILABLE

DIRECTORY OF FEDERAL AGENCIES SUPPORTING DAY CARE

To learn more about federally supported day care programs and other federal day care activities, write to the following agencies.

Administration for Native Americans
U.S. Department of Health and Human Services
330 Independence Avenue, S.W.
Washington, DC 20201

Appalachian Regional Commission
1666 Connecticut Avenue, N.W.
Washington, DC 20235

Bureau of Indian Affairs
U.S. Department of the Interior
C Street, N.W.
Washington, DC 20242

Cooperative Extension Service
U.S. Department of Agriculture
(Offices are located at land grant universities in the 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands; in the 16 1890 colleges in the United States; and at Tuskegee Institute in Alabama.)

Head Start Bureau
U.S. Department of Health and Human Services
5163 Donohue Building
400 Sixth Street, S.W.
Washington, DC 20201

Migrant Education Division
1100 Donohue Building
400 Sixth Street, S.W.
Washington, DC 20201

Office of Comprehensive Employment and Training
U.S. Department of Labor
601 D Street, N.W.
Washington, DC 20213

Office of Family Assistance
U.S. Department of Health and Human Services
B-404 Trans Point Building
2100 Second Street, S.W.
Washington, DC 20201

Office of Work Incentive Programs
U.S. Department of Labor
8422 Patrick Henry Building
601 D Street, N.W., Room 5100
Washington, DC 20213

U.S. Department of Agriculture
Child Nutrition Division
3101 Park Center Drive
Alexandria, VA 22302

U.S. Department of Agriculture
Science and Education Extension
Fourteenth Street and Independence Avenue, S.W.
Washington, DC 20250

U.S. Department of Housing and Urban Development
Office of Block Grant Assistance
451 Seventh Street, S.W.
Washington, DC 20410

U.S. Department of Labor
Women's Bureau
200 Constitution Avenue, N.W.
Washington, DC 20210

SESSION III RESOURCE LIST

BOOKS

Curtis, Jean. *Working Mothers.* New York: Simon and Schuster, 1977.

Galinsky, Ellen, and William Hooks. *The New Extended Family: Day Care Programs That Work.* Boston: Houghton Mifflin, 1977.

Glickman, Beatrice M., and Nesha B. Springer. *Who Cares for the Baby? Choices in Child Care.* New York: Schocken, 1978.

Marital and Family Patterns of Workers: An Update. Bureau of Labor Statistics Bulletin 2163. Washington, D.C.: U.S. Department of Labor, May 1983.

Mitchell, Grace. *The Day Care Book: A Guide for Working Parents to Help Them Find the Best Possible Day Care for Their Children.* New York: Stein and Day, 1979.

A Parent's Guide to Day Care. OHDS publication #80-30254. Washington, D.C.: U.S. Department of Health and Human Services, 1980.

Reynolds, Jean K., ed. *How to Choose and Use Child Care.* Nashville: Broadman, 1980.

ARTICLES

"Child Care Directory." *Working Mother* (January 1981): 57-120.

Greenleaf, Barbara Kaye. "In Search of a Sitter." *Working Mother* (January 1981).

BACKGROUND INFORMATION FOR LEADER

DAY CARE: 'IN-HOUSE' CHILDREN AT THE WORKPLACE

Each weekday morning, the LaCour women rise, dress and carpool to the Stride Rite Corporation in Boston. At the shoe factory, 25-year-old Nellie heads to her job as an order processor; 5-year-old Tawana begins a day of structured play at the company's in-house child-care center.

"During the day I can go down and have lunch with her or visit on a break," says Nellie LaCour, who pays $16 a week for the service. "If she's getting over a cold I can check on her or give her medicine.

"She's been going to the center since I started work here two years ago, and she's learning a lot more than she did when I used to drop her off at a baby-sitter's house--which cost $25 a week. We get to see each other more now, too, so it's nice for both of us."

On-site child care, like that offered at the Stride Rite Children's Center, is one answer to the vital--and sometimes disturbing--question, "Who's minding the kids?"

As mothers of preschool children continue flocking to the workplace (45 percent of women with children under age 6 were in the labor force in 1979), "employers and labor representatives are recognizing the child-care need as a major concern of employees and are exploring ways to alleviate it," says a recent report from the Department of Labor's Women's Bureau.

Their 1978 survey reports day-care centers sponsored by 14 government agencies, 75 hospitals, 9 industrial firms and 7 labor unions across the United States.

Since that time, six additional industry-sponsored child-care centers have opened--including Broadcasters Child Development Center in the District, initiated by members of a local broadcasters association with financial assistance from four television stations and one radio station.

Others: a 250-child center at Intermedics in Freeport, Texas; a 72-child center at Zales Corporation, Dallas, Texas; a 40-child center at Hoffman La Roche, Clifton, New Jersey; and two operated by Living and Learning, a child-care corporation.

Living and Learning leases space from the Allendale Insurance Co. in Johnston, Rhode Island, and Union Mutual Life Insurance Co. in Portland, Maine. The insurance companies guarantee a minimum enrollment, and Living and Learning provides a 10 percent discount to employees.

Source: By Carol Krucoff, *The Washington Post*, October 13, 1980. Used by permission.

"Benefits to the employer," notes the Labor Department report, "include an increase in the ability to attract employees, lower absenteeism and job turnover, a more positive attitude of the employees toward both employer and work, favorable publicity and an improvement in community relations."

Of the centers that have closed, major reasons were "escalation of subsidies to amounts greater than the employer is willing to provide, a discrepancy between the number of child-care slots provided and the number needed, administrative problems, and the need for use of the facility in other capacities."

The key to setting up and running successful company-sponsored centers, says Stride Rite Center director Miriam Kertzman, is "careful planning, company support, parent participation and outside sources of funding."

Stride Rite's center started in 1971 as an offshoot of a community group's request that the company's philanthropic foundation help fund a community child-care center.

"They figured, if we're going to help fund a center," says Kertzman, formerly East Boston's Head Start program director, "why not make it for employee children, too."

Beginning with 30 children--15 employees' and 15 from the community--the center has grown to accommodate 50 children, age 2 3/4 to 6. (Twenty-seven are employees' and 23 are from the community.)

The cost of running the center is about $60 per week, per child. Employee parents pay 10 percent of their weekly gross pay, and community parents pay the state on a sliding fee scale.

Including children from the community has several advantages, says Kertzman. "We receive about $60 per week, per child, from the State Department of Social Services to provide those 23 slots. And it help relations with the community--making our population an ideal mix of children."

The center occupies former office space on the first floor of the plant, which employs about 700 people. "It cost about $25,000 to renovate and equip the original area," says Kertzman. "Total start-up costs were about $40,000."

The facility has been enlarged several times, with $46,000 in company funding supplemented by government subsidies and non-financial sources of support. Examples: A federal program reimbursed 75 percent of the cost of installing the kitchen; a contract with the state school lunch and nutrition bureau pays for about 70 percent of food costs.

Of their $144,400 total estimated operating budget for 1980, the company will pay $42,800, the school lunch program $20,000, the Department of Social Services $65,000 and employees $16,000.

"We are a separate corporation," says Kertzman. "We have our own charter, board of directors and insurance. The company has no legal responsibility for its operation."

Ten staffers and several volunteers run the center, with personnel costs reduced somewhat through affiliation with high school and college-intern projects and teacher training programs. Contracts with a federal "New Careers" program fund tuition and part of the salary for professional training.

The center is open from 7 a.m. to 5 p.m., to accommodate parents on different shifts. After breakfast, the children's activities include math and reading readiness, cooking, drama and field trips.

"We have interns from local hospitals working as teacher aides during their pediatrics rotations," says Kertzman. "And the children are taken on a rotating basis to the pedodontic department at Boston University's Dental School for dental care."

A side benefit for the company: "They bring down new designs in shoes to wear-test on the children."

In response, says Kertzman, to "the hundreds of requests I get a year from company personnel departments, employee groups and child-care professionals," Stride Rite has summarized information in a free booklet, "How We Do It." Kertzman also runs a monthly two-hour information-sharing session for persons interested in visiting the center.

"Industry-sponsored day care is extremely cost-effective," she says, "since the company is already paying for heat, light, telephones, maintenance and other services.

"It's an untapped, last frontier of hope for the millions of preschoolers without adequate care. With the taxpayer's revolt, it would be rough going for the government to start funding centers.

"In one way or another we pay for child care," she says, and then without hesitation makes this comparison: "In Boston in 1978, it cost about $28,000 a year to maintain a child in a juvenile detention center and $3,000 a year per child for a child-care center."

SESSION IV

HOW TO PLAN FOR RETIREMENT AND BE GLAD YOU DID

SESSION IV WORKSHOP OUTLINE

GOALS

- To help participants recognize the need for long-range financial planning
- To learn about pension plans and other retirement options

ACTIVITIES	Suggested Time
Introduction: Thinking about Your Future Individuals use time lines to plot out their long-range financial goals.	15 mins.
Retirement Quiz Participants discuss the realities of pension income and types of pension plans.	25 mins.
What's in a Pension Plan? Participants critique and discuss a sample pension plan, go over some of the problems with pensions, and compare hypothetical retirement income figures for an office worker and an executive.	20 mins.
If You Don't Have a Pension Plan Leader presents information on Individual Retirement Accounts and reviews the Retirement Planning Checklist.	15 mins.
How Money Grows over Time Group discusses options for the small investor and ways to maximize interest on savings accounts.	10 mins.
Summary and Evaluations Leader suggests an activity for participants to do at home, briefly summarizes the session, and asks participants to evaluate the workshop series.	15 mins.

WORKSHOP MATERIALS

For Participants
Retirement Quiz
Sample Retirement Plan for Bigtime Insurance Company
A Guide to Individual Retirement Accounts
Retirement Planning Checklist
How Does Your Money Grow?
Resource List

Background Information for Leader

If You Don't Want to Be a Poor Old Lady, Check Up on Your Pension Rights *Now*!

*A Guide to Individual Retirement Accounts**

Fact Sheet: Women and Pensions

*See Resource List for information on how to order.

SESSION IV ACTIVITIES

INTRODUCTION: THINKING ABOUT YOUR FUTURE

PURPOSES

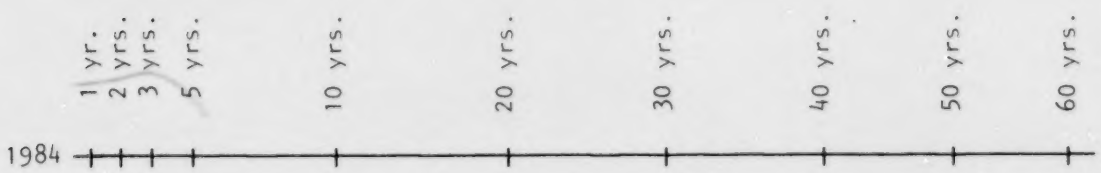
- To introduce the session
- To help participants think about the importance of long-range financial planning

INSTRUCTIONS

1. Introduce the exercise.

   "We're going to do an exercise to help us think about long-range financial planning."

2. Draw a line on the board like the one below. Ask that participants do the same on a piece of paper turned sideways.



3. Ask participants to list under each time period one or more things they would like to do in their lives that will cost more money than they usually spend. After they have had some time to fill in random thoughts, ask the following questions to help stimulate more ideas:

   a. Do you plan on having children? When?

   b. If you have children, how old will you be when your youngest child is 21? What would you like your life to be like at that time?

   c. Do you plan to go back to school at some point?

   d. Do you intend to buy a home? Move to a nicer apartment?

   e. What are your plans for vacations in the next few years?

   f. When would you wish to retire from a regular work life?

4. Ask if there are comments or questions. Then ask:

   a. What plans do you have for saving for these future costs?

   b. Which of these do you think you would take out loans for?

   c. At what point would you have to start financial planning in order to retire?

RETIREMENT QUIZ

PURPOSE

- To have participants examine their knowledge of retirement income options

INSTRUCTIONS

1. Hand out the Retirement Quiz.

   "Many of us have not given much thought to our retirement plans because we just don't like to think about getting older. We're going to take a quiz and find out how much we know about retirement income options. Take 10 minutes to answer the questions."

ANSWERS TO RETIREMENT QUIZ

1. No. The average income of a single woman over the age of 65 in the United States was $3,800. Elderly women are the fastest growing poverty group in the United States.

2. No. Eighty percent of the retirement income of a single woman over the age of 65 in the United States is from Social Security. According to 1982 figures:

   - The average woman living alone retires with Social Security benefits of $223 per month.
   - The average pension received by a woman retiree is less than $81 a month ($970 per year).
   - Sixty-four percent of working women are not participating in retirement plans. Twenty-seven percent are, but never collect because they change jobs and become ineligible.
   - Only 9 percent of women pension plan participants are actually vested (i.e., have a right to the accrued pension monies contributed by an employer or union on her behalf).

   The reasons so few women are involved in pension plans are:

   a. Pension plans don't start until the worker is age 25.

b. Women change jobs frequently. Women's job mobility is twice that of men. Currently, the median years on the same job for women is 2.8; it is 4.6 years for men.

Why do you think women change jobs so frequently? Some reasons are that they

- have dead-end or unsatisfying jobs
- have no way of advancing within the company
- need a change of environment to keep their spirits up
- leave to have children
- are forced to move to another city because of husband's job

c. More women than men are in part-time jobs because part-time work is all that is available, or they need to work part-time in order to juggle child care and other family responsibilities.

d. Women are more likely than men to work for low-paying industries. The service and retail industries, employing 25 percent of women and half of all women employed in the private sector, have the lowest pension coverage.

e. Pension coverage is more prevalent in large firms, in high-wage firms, and in certain occupations. Women are more likely than men to be employed in small, low-wage firms, and in occupations that tend to have low pension coverage. (However, women employees in government jobs have fairly high pension coverage.)

3. No. The average unmarried woman retires with approximately $1000 saved.

4. Yes.

5. Yes.

6. Yes.

7. No. When a pension plan is integrated, your employer is subtracting the company's contributions to Social Security for you from the amount contributed to your pension plan.

A plan would be permitted to define its pension benefit when combined with Social Security as amounting to 55 percent of the worker's last wage. A lower-paid worker may find that her Social Security check is 55 percent of

her last wage. Her pension check would be zero. Thus, any worker earning less than the Social Security base can end up with no pension check under existing regulations.

It is estimated that 25 percent of workers under a pension plan are now "integrated out" of a benefit.

8. No. Whole life insurance policies include parts that are just savings accounts, but they earn very low rates of interest (2 to 4 percent, typically). You would end up with a lot more money if you invested this money in something like a money market fund.

2. After going over the answers to each question, use the following questions to elicit reactions:

   a. Have you ever thought you would be one of these statistics?

   b. Why is it so difficult for us to think about retirement?

      - Too depressing
      - Assume it will work out somehow
      - Society doesn't encourage us to think about this issue

   c. How many people work for companies that have pension plans?

   d. Has anyone made inquiries about her pension plan at work? If so, whom did you ask? Can you briefly describe it to us?

      Point out that you have the right to receive information concerning your plan once a year, including how much you can expect and when you are eligible to receive it. Your employer should furnish you with a summary plan booklet; it must be written in plain English. If the language is too complicated, ask for a simpler explanation. If you do not receive one, you can complain at the local office of the U.S. Department of Labor.

WHAT'S IN A PENSION PLAN?

PURPOSES

- To learn how to assess components of a pension plan
- To discuss some of the problems with pensions

INSTRUCTIONS

1. Hand out the Sample Retirement Plan for Bigtime Insurance Company. Give people a few minutes to read it.

2. Discuss each of the underlined points in the plan, explaining any unfamiliar terms or concepts. Ask people to list the good and bad points of the plan. Devise a spontaneous rating system, such as:

   \+ The company has a pension plan.

   \+ The company makes all payments.

   \- The plan is integrated with Social Security.

   \+ Pension payment is based on the latest year's salary, so it is more in touch with inflation.

   \- The plan doesn't take into account inflation after retirement.

   \+ and - Normal retirement is age 65.

   \- Part-time work is not counted.

   Use the Fact Sheet: Women and Pensions in your background reading section and the answers to the Retirement Quiz to aid you in the discussion.

3. If there is time, go over some of the other problems with pensions that are listed in the fact sheet.

4. Put on newsprint in advance the following retirement income figures for an office worker and an executive:

Mary

Worked for 21 years, 1959-1980
Retired at the age of 65
Single
Salary: 1964-68: $8,000
1972-80: $9,000

Mr. Executive

Worked for 21 years, 1959-1980
Retired at the age of 65
Single
Salary: 1964-68: $22,000
1972-80: $25,000

Retirement Income

Company A:	Mary:	$152.87/mo.	(20.3%)
	Mr. Exec.:	$575.00/mo.	(27.6%)
Company B:	Mary:	$195.93/mo.	(26.0%)
	Mr. Exec.:	$827.76/mo.	(39.7%)
Company C:	Mary:	$129.09/mo.	(14.3%)
	Mr. Exec.:	$640.29/mo.	(26.6%)
Company D:	Mary:	$201.49/mo.	(22.3%)
	Mr. Exec.:	$738.90/mo.	(30.0%)

Explain the information:

"Hypothetical salary and length of service figures for an office worker and an executive were inserted into the pension plan formulas of four actual companies. Mary's salary was obviously much lower than Mr. Executive's, and her resulting pension benefit is also much lower (i.e., $152.87 a month versus $575.00 a month under Company A's plan).

"The percentages in parentheses are the proportion of preretirement income that the benefits represent. In other words, Mary is getting only 20 percent of her preretirement income in benefits from Company A, whereas Mr. Executive gets almost 28 percent of his preretirement income back. It is interesting that not only does Mary get a smaller overall pension; she also gets a smaller proportion of her income back in pension benefits. The reason for this is that all four pension plans we show here are integrated with Social Security--which always means that a larger chunk is taken out of the smaller pensions.

"These figures demonstrate that even when women receive pensions, they are often so small that no one could live on them."

IF YOU DON'T HAVE A PENSION PLAN

PURPOSE

- To provide information on options for women who aren't covered by pension plans or who would like to supplement their pension plans

INSTRUCTIONS

1. Explain IRA (Individual Retirement Account) plans, being sure to make the following points:*

   "An IRA is basically a special kind of savings account, a way to make sure you have money after retirement if you don't have a pension plan. According to the new 1982 changes in the laws governing IRAs, you can contribute to an IRA even if you do have a pension plan.

   "You can open an IRA at a bank, a savings and loan institution, or a mutual fund. You can contribute 100 percent of your income up to $2,000 to your IRA each year. The maximum contribution for two-income families is $2,000 per person and $2,250 (combined) for one-income couples.

   "You don't pay taxes on the money you put in an IRA, and you also deduct it from your income (on both the short and long federal tax forms).

   "With IRAs, you leave your money in your account until you retire or reach the age of 59½. Withdrawals from an IRA must begin by age 70½, and federal regulations require a 10 percent penalty on withdrawals made prior to age 59½. If you do need to withdraw funds from your IRA, you must also pay higher taxes on it."

2. Distribute *A Guide to Individual Retirement Accounts* (see the Resource List for information on how to order).

3. Discuss some of the advantages and disadvantages of IRAs:

   Advantages

   - You can choose among a wide variety of investment plans, finding the one that best fits your needs.

*New laws governing IRAs may change some of this information.

- If you become dissatisfied with your investment, you can withdraw your money and reinvest it in another plan, although IRAs usually cannot be moved more than once in three years.

- IRAs allow those workers who would not ordinarily qualify for a pension plan to provide their own retirement income plan. Persons who work part-time, intermittently, or seasonally may open an IRA. Coverage is not lost by leaving employment temporarily or permanently.

Disadvantages

- Your savings remain tied up until you retire.

- You must pay a 10 percent penalty tax on withdrawals prior to age 59½.

- You cannot use an IRA as collateral for a loan without immediately paying tax on the amount you withdraw.

- Some plans have a large sales commission and administration fee that are deducted from the first few years of saving. Some have no fees. Shop around.

4. Hand out the Retirement Planning Checklist. Give people time to look over the handout and see if they have any additional questions.

HOW MONEY GROWS OVER TIME

PURPOSE

- To illustrate the importance of long-range financial planning and the impact of inflation on retirement income

INSTRUCTIONS

1. Put the following chart on newsprint before the workshop:

HOW INFLATION ATTACKS TODAY'S DOLLAR	
At an inflation rate of just 10 percent, here's what happens to today's $1000.	
Today:	$1000
In 6 months:	951
In 2 years:	818
In 5 years:	605
In 10 years:	366
In 20 years:	134

2. Explain how inflation can affect the retired.

   "The current rate of inflation (1983) is 6 percent, and it is predicted that it will increase to at least 10 percent through the 80s. In the first workshop we saw how inflation eats away at your savings. When we look at retirement, inflation's effects become even more critical.

   "With an inflation rate of 9 percent per year, if you are currently making $10,000, you will need to be earning $25,000 in ten years to maintain your current standard of living.

   "Pension plans are not indexed for inflation. Social Security is, however. If the rate of inflation continues to rise at a steep rate, a pension could become nearly valueless after a period of 15 to 20 years."

3. Distribute How Does Your Money Grow? Briefly review the following points covered in the first session:

   - How money grows over time
   - The sooner you start saving for retirement, the better
   - The higher the interest rate, the better
   - Where to get high interest rates

SUMMARY AND EVALUATIONS

INSTRUCTIONS

1. Distribute the Resource List.

2. Suggest that participants interview someone who's retired to see what she has learned and what advice she would give to younger women.

3. Summarize:

> "As we have seen, women approaching retirement age are in serious trouble. Because we have been discriminated against and because we don't like to think about getting older, we don't plan well.
>
> "We can educate ourselves about retirement and pension issues and develop our planning skills so that we can look forward to retirement instead of fearing it."

4. Hand out evaluation forms you have designed. Ask that participants fill them in before they leave.

PARTICIPANT HANDOUTS

RETIREMENT QUIZ

Write Yes or No.

1. In 1982 the average income of a single woman over the age of 65 in the United States was approximately $6,000. _____

2. Fifty percent of the retirement income of a single woman over the age of 65 in the United States is from a pension. _____

3. The average unmarried woman retires with approximately $5,000 in her savings account. _____

4. Employers are permitted to exclude workers under the age of 25 from future pension plan coverage. _____

5. You cannot transfer money earned in a pension plan to a new employer unless you work for companies within a cooperating industry. _____

6. It is legal for a factory to have a pension plan for its assembly line workers but not for its secretaries. _____

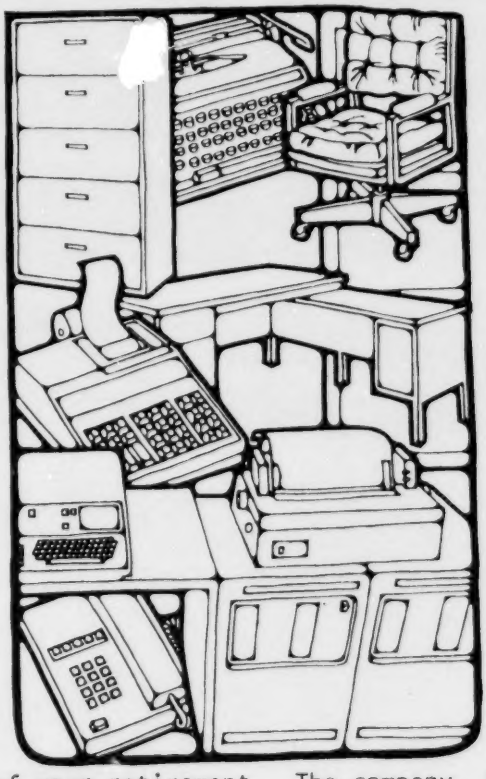
7. The best kind of pension plan is an integrated one. _____

8. Whole life insurance policies are a kind of personal savings account by which your money earns high interest rates until you retire and withdraw the money. _____

SAMPLE RETIREMENT PLAN FOR BIGTIME INSURANCE COMPANY

The Bigtime Insurance Company's retirement plan is designed to help you attain your goal of financial security upon retirement. In addition, it will afford you peace of mind during your working years and a sense of accomplishment before your retirement. The entire cost of the retirement plan is borne by the company.

So that both Social Security benefits and direct company benefits comprise the total pension objective, at Bigtime your retirement plan is integrated with Social Security. This means that one-half of the Social Security primary insurance amount is taken into account in determining the amount of pension benefits paid directly by the company. The company has been required to pay increasing taxes because of Social Security, matching each employee's Social Security contributions dollar for dollar during his or her working years, so it is altogether appropriate that your plan be integrated with Social Security. Changes in Social Security benefits that occur after your retirement do not affect the amount of your pension paid by the company.



One very important aspect of your pension is the salary level on which it is based. In order to reduce the effect of inflation during your working lifetime on your pension, the company omits your compensation level for earlier years from your pension computation. Instead, the final average salary formula is used. Final average salary is the average annual compensation (excluding overtime payments, awards, etc.) for the 60-month period immediately preceding your normal retirement date, or actual retirement date, whichever occurs earlier.

The final average salary pension formula is based on the assumption that your compensation in the years immediately preceding retirement is the best indicator of economic conditions at the time of your retirement. The company, in effect, assumes responsibility for inflation during your working career through its salary program and provides you with a pension at retirement reflecting the value of the dollar at that time. The final average salary also recognizes each individual's ultimate salary achievement and facilitates a smoother transition between his or her income levels just before and after retirement.

Your normal retirement date is the first day of the month nearest your sixty-fifth birthday. If you retire on your normal retirement date, your total annual company-paid retirement income will be equal to the sum of:

2 percent of the first 25 years of service x your final average salary

and

½ percent x your years of service in excess of 25 years x your final average salary

reduced by

your Social Security primary insurance amount x 2 percent x your years of service, not to exceed 25

Years of service are measured in years and completed months of employment, whether or not such employment is continuous. Only employment as a full-time permanent employee is counted. Years of service include any periods during which you receive accident and sickness benefits or a salary continuance allowance, but exclude any periods of long-term disability benefits. In addition, all periods of full-time employment in a general agency or a subsidiary of the company shall be counted as service for all purposes of the plan, except the determination of the amount of pension.

RETIREMENT PLANNING CHECKLIST

Does Your Company Have a Pension Plan?

1. Are you eligible now? If not, at what age will you be eligible?
2. Are other employees covered, but not you?
3. If you work part-time, how does this affect your pension plan?
4. Is your pension plan an integrated plan?
5. How many years of consecutive employment must you have worked for your company before you become fully vested in the plan?
6. Do you know what vested means?
7. If you work nine years at your company and move, can you transfer your credits?
8. Is your pension plan indexed for inflation?
9. Does your employer provide written material that describes your pension plan?
10. Is there anyone at your company who is paid to explain the pension plan to you?
11. What is the pension plan's normal retirement age? Early retirement age?
12. How much will the monthly payment to you be?
13. Is the plan protected by the Pension Benefit Guarantee Corporation?

Are You Eligible for an Individual Retirement Account?

1. Do you know where to get one?
2. If you have one, how high are the service fees charged? Are they lower at any other institution or organization?
3. Could you transfer your IRA to another institution or organization if necessary?
4. How much interest is your IRA collecting?

Is One of Your Fringe Benefits a Life Insurance Policy Paid for by the Company?

1. When can you start collecting income from your life insurance policy?

2. How much will you receive?

3. Does your policy pay dividends?

4. Are you covered for life, or for a specific period of time?

If You Are Married:

1. Are you covered by your husband's pension plan?

2. Will you be covered if he dies before you retire, or before he reaches 55 years of age?

3. Does he agree not to waive the survivor's benefit, even though this will mean a lower pension payment for you both?

HOW DOES YOUR MONEY GROW?

If you put aside 52¢ an hour for eight hours a day, seven days a week, you will be accumulating $125 a month, or $1,500 a year. And if you could put this money to work at 7½ percent compounded continuously (that is, at a 7.9 percent effective annual yield) for only ten years, you would accumulate the following amount, even if you added no more money to the capital sum.

TEN-YEAR GOAL PLAN

Deposit from Ages	By Age 65 You Would Have Accumulated
1 - 10	$1,528,290
10 - 20	714,482
20 - 30	334,023
30 - 40	156,157
40 - 50	73,004
50 - 60	34,129
60 - 65 (5 years only)	9,476

To use your money tool of time most effectively, you should also be aware of the difference a seemingly small change in interest rates can make in your total accumulation. Too many of us leave our money in low-interest-paying vehicles; we shrug our shoulders as if to say, "What difference can 1 percent really make?" A big difference, that's what.

If you had deposited this same amount of money at 6½ percent interest instead of the 7½ percent figure used above, you would see the following accumulations.

TEN-YEAR GOAL PLAN

Deposit from Ages	By Age 65 You Would Have Accumulated
1 - 10	$631,203
10 - 20	339,495
20 - 30	182,599
30 - 40	98,211
40 - 50	52,823
50 - 60	28,411
60 - 65 (5 years only)	8,815

If you would like to figure what you could accumulate at another rate, use the Rule of 72, a rule of thumb to determine approximately how long it takes your money to double. Just divide 72 by the percentage, using the percentage as if it were a whole number. For example:

72 : 4% = 18 years to double

72 : 5% = 14+ years to double

72 : 6% = 12 years to double

72 : 8% = 9 years to double

72 : 12% = 6 years to double

For example, if you are 45 years old and you have $10,000 earning 4 percent interest annually, you will have accumulated approximately $20,000 at age 63 (18 years to double). If you have that same money earning 7½ percent interest (also guaranteed amount), you will have accumulated more than $40,000 by age 65--same money, different interest. Increase in assets--$20,000. Remember, though, that all the above charts are computed without taking taxes into account.

SESSION IV RESOURCE LIST

BOOKS

Buckley, Joseph C. *The Retirement Handbook: A Complete Guide to Planning Your Future.* 6th ed., Henry Schmidt, ed. New York: Harper and Row, 1977.

Dickinson, Peter A. *The Complete Retirement Planning Book: Your Guide to Happiness, Health and Financial Security.* New York: E. P. Dutton, 1976.

Otte, Elmer. *Rehearse Before You Retire.* 3d rev. ed. Appleton, Wis.: Retirement Research, 1977.

Sheppard, Harold L., and Sara E. Rix. *The Graying of Working America: The Coming Crisis in Retirement-Age Policy.* New York: Free Press, 1977.

BROCHURES

What You Have to Know about SSI *A Woman's Guide to Social Security* *Social Security Credits: How You Earn Them* *Your Social Security Rights and Responsibilities* *Your Social Security Earnings Record* *If You Become Disabled*	U.S. Department of Health and Human Services Social Security Administration
Know Your Pension Plan *What You Should Know about the Pension and Welfare Law* *Often Asked Questions about the Employee Retirement Income Security Act*	U.S. Department of Labor Management Services Administration Washington, DC 20210
Your Retirement: A Financial Planning Guide	U.S. Department of Agriculture Science and Education Administration South Building, Room 605 14th Street and Independence Avenue, S.W. Washington, DC 20250
The Individual Retirement Account (IRA) Option	Pension Benefit Guaranty Corporation 2020 K Street, N.W. Washington, DC 20006

Pension Facts #1 and #2 "Working Papers: Working Women, Marriage and Retirement" by Shelly Lupkoff and Edith Fierst (President's Commission on Pension Policy)	Pension Rights Center 1346 Connecticut Avenue, N.W. Room 1019 Washington, DC 20006
Gray Paper #4--Older Women and Pensions: Catch 22 ($2.00) *Gray Paper #2--Social Security Adequacy and Equity for Older Women* ($2.00)	Older Women's League Educational Fund 3800 Harrison Street Oakland, CA 94611
A Guide to Planning Your Retirement Finances *A Guide to Individual Retirement Accounts* *Know Your Pension Plan*	Consumer Information Center Pueblo, CO 81009

BACKGROUND INFORMATION FOR LEADER

If you don't want to be a poor lady, check up on your pension right NOW!

$ $ $

Retirement is a subject that most women think about fleetingly, if at all. "Oh, my husband will take care of that," a homemaker says, assuming that whatever financial arrangement he's made will take care of her, too. "Well, there's social security and the company has a pension plan, too," a working woman says, explaining how she will maintain herself when, some far-off day, she retires.

But you simply cannot afford to be that casual about your retirement future, especially in a time of rising living costs. Today, the average woman on social security receives only $332 a month. Her other pension benefits, if any, are small. This dismal situation is partly due to the fact that women often work at low-paying jobs, change employers frequently and take time off to raise their families.

Many women also share the blame for their low retirement benefits, however, by failing to become informed about their pension rights--and letting benefits slip away. One wife, for example, never inquired about her own rights to her husband's generous pension. When he died a few years before retirement, she was stunned to discover that she got nothing. An ambitious computer programmer changed jobs after nine years because "I got bored." By doing so, she forfeited all the pension rights she'd have been entitled to if she'd stuck it out only one more year.

These lessons are clear. Although it is hard to talk to someone you love about "what will happen to me when you die," it is vital that you ask your husband, in detail, about what provisions have been made for you in his pension plan. And tedious though it may be, especially if you don't plan to retire till sometime in the next century, you should investigate and take steps to safeguard both your social security and company pension rights. Here is a guide to those rights.

GETTING WHAT'S COMING TO YOU IN SOCIAL SECURITY

Currently, social security pays only about half of what is needed to maintain a modest standard of living: an average of $406 a month for a single person, $695 for a couple. A woman can qualify either as a wage earner or as the dependent of a male worker.

How to Qualify for Your Own Benefits

- Benefits are paid to those who have worked a fixed period of time, usually forty calendar quarters, for participating employers. You must have earned a minimum amount of money per quarter; it was $340 last year. If you earn four times the minimum (or $1,360 in 1982) at any time during a year, even if it is all in one week, you get credit for four quarters.
- You can work part-time, but you should be sure to keep track of your earnings so that you can work extra hours, if necessary, to qualify for the minimum amount.
- If you have a home business, you can qualify if you show a profit

Source: By Deborah Rankin, *Woman's Day*, March 8, 1983. Used by permission.

and pay the self-employment social security tax on your net earnings.

- Work periods do not have to be consecutive. You can leave your job for a few years to raise a family, as many women do, and continue compiling credits when you return to work. The summer jobs you had as a student are also counted.

- If you are not working and, as you near retirement age, find you are a few quarters short of the minimum, it would be worthwhile to take a job long enough to qualify for benefits. Even if your checks are small, you'll be entitled to both parts of Medicare, saving you more than $100 a month on Part A.

- Payments are tied to earnings; workers who have earned (and paid in) the most receive the largest checks. Benefits are calculated on the basis of the worker's average earnings over a maximum of thirty-five years. This means that a typical woman who works five years, devotes fifteen years to raising children and then returns to work for twenty years has to include ten "zero" years in her average. If you work longer than thirty-five years, however, those in which you earned the least are not counted.

- The earliest you can collect retirement benefits is at age sixty-two, but payments are reduced by 20 percent. Full benefits are paid when you reach sixty-five.

- A working wife can choose to receive social security on the basis of her own wage history or as a dependent of her husband--but not both. If you've worked at a low-paying job you may find that the dependent benefit is higher than your own. This means that your contributions to social security are forfeited, for you receive no more than if you'd stayed home all those years.

Benefits for Homemakers

- The wife of a retired worker is entitled to monthly dependent benefits when she reaches sixty-two. If you wait until age sixty-five you get full wife benefits, which are 50 percent of his basic benefits ($150 if he receives $300, for example, or a total of $450 for both). A widow receives the worker's full benefit at 65.

- A divorced wife receives the same benefits as the wife when her ex-husband retires, but only if she had been married to him for at least ten years. If her ex-husband continues to work, however, she receives nothing.

- The "Widow's Gap": A homemaker who is widowed in her forties or fifties has a major problem with survivor's benefits. She is too young to qualify (the minimum age is sixty) and often too old to find a good job. If she has young children, she may be able to get mother and children benefits, but only until the children reach sixteen. Unless she and her husband provide for this "gap" contingency with a savings or insurance plan, she can suffer years of financial hardship before she qualifies for social security.

MAKING THE MOST OF PRIVATE PENSIONS

You can't assume anything about a pension--its size, whether you qualify or whether your husband's plan will cover you if you are widowed. Pensions aren't as large as you might suppose--the Pension Rights Center

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If you don't want to be a poor lady, check up on your pension right NOW!

reports that the average annual payment in 1980 was $2,375 (less than $200 a month) for a woman, $4,103 for a man. Pensions are designed to reward the worker--typically a man--who has had a long, lucrative and uninterrupted career with the same employer. Yet even women who worked twenty or thirty years for the same company often don't qualify.

Countless homemakers have been lulled into a false sense of security by husbands who say, "If anything happens to me, my company pension will take care of you." But when they are widowed, they often discover that they are not covered by the company plan either because their husbands died too young or because they chose a higher pension payment over survivor's benefits.

KEEP TABS ON YOUR EARNINGS RECORD

If an employer puts the wrong social security number on a statement or credits you with $1,300 instead of $13,000 for one year, your future benefits will be reduced. Such mistakes are not uncommon, so the Social Security Administration suggests checking your record at least once every three years. (To do so, call or write your local social security office for Form SSA 7004, "Request for Statement of Earnings.")

Any mistakes should be reported to your local social security office immediately. The government is not required to correct mistakes if more than three years, three months and fifteen days have elapsed since the report was filed, but corrections usually are made as long as proof of earnings is presented. Copies of tax returns and withholding statements are important evidence to keep.

To avoid disastrous surprises like these, you should take an active interest in your own and your husband's pension.

Pension Benefits for Employees

There are no laws requiring employers to offer pension plans, and many women work in industries, such as retailing, where pensions are the exception rather than the rule.

- If your company or union does have a pension plan, check to be sure you are covered. It may not include every category of employee--for example, a factory with a pension plan for assembly-line workers may not have one for secretaries.
- Find out how long you have to stay on the job to qualify; usually it is ten years. But even if you've been on the job ten years, you may not get credit for the entire time. Most pension plans do not count the years worked before age twenty-two.
- Plan maternity leave with pension credits in mind. You can lose credits if your time away is as long or longer than you worked before the break. If, for example, you work three years, leave when your child is born and then return to the same firm four years later, you may lose all pension credits for the first three years. If you return after two years, you keep your credits.
- If you work part-time or have a seasonal job, you can accumulate pension credits as long as you work at least one thousand hours a year. If you are presently working eighteen or nineteen hours a week, it pays to put in extra time to make up your credits.

If you don't want to be a poor lady, check up on your pension right NOW!

Pension Benefits for Wives of Working Men

If you are a homemaker dependent on your husband's earnings, now is the time to find out what income you can count on if he dies. Prior to 1976, pension plans were not required to provide widow's benefits. Now, all plans offer a "joint and survivor's" option.

- If your husband is entitled to $300 a month at age sixty-five and you are three years younger, a typical survivor's plan would reduce his pension checks to $240 a month, but pay you half ($120) a month in widow's benefits if he dies. Your husband may elect not to take this option; that way, he gets the full pension while he is alive, but you receive nothing after he dies. Many men focus on the short-term loss of retirement income when they decide against the survivor's option. They gamble that they will outlive their wives, something that happens in only 15 percent of cases.

- Even if your husband selects the survivor's benefit, you may not get it if he dies while he is still working. His plan must have a provision for early retirement and he must have reached a certain age--usually fifty-five--before you can collect. He must also choose the "*early* survivor option" and sign a form agreeing to a reduction of his pension.

- Although they may have sacrificed their own careers to help their ex-husbands get ahead, divorced wives are not entitled to share in a man's pension benefits in most states. In a few community property states, such as California, pension is considered income earned by both partners and it is divided at divorce. Although a new Uniformed Services Former Spouse Protection Act effective in February 1983 allows state courts to consider military pensions when fixing property rights in a divorce, there is no guarantee that judges will award women part of their ex-husbands' retirement pay.

ESTABLISHING YOUR OWN PENSION

A few hundred dollars put aside today can grow to thousands of dollars in a few decades. A smart way to save for retirement is to contribute to one of these plans:

- *An Individual Retirement Account (IRA).* Workers who participate in an employee pension plan as well as those who don't have such coverage can contribute 100 percent of earned income up to $2,000 a year to an IRA. The contribution is tax deductible and earnings build tax-free until you begin to make withdrawals at age fifty-nine and a half or later.

- *"Spousal" IRAs for homemakers.* Under the new tax law, a wage earner with a nonworking spouse can contribute up to $2,250 a year to a marital IRA, which provides a separate account for each partner. In the past, contributions had to be evenly divided between the accounts, but now up to $2,000 can be deposited in either account.

  In the event of a divorce, an unemployed wife may continue to participate in a spousal IRA if it has been established at least five years and contributions have been made for at least three of the last five years. She may contribute up to $1,125 a year from alimony or other earnings to her IRA.

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- *The Keogh plan*, designed for self-employed workers, is the answer for women who work free-lance or run a business from home. As with IRAs, no taxes are due until you reach retirement age and start making withdrawals. You can put 15 percent of your earned income, up to a maximum of $15,000 a year, into a Keogh plan.

- *Company contributory plan.* Most companies no longer have contributory pension plans that require employees to make regular payments toward future retirement benefits. But if your employer is one of the few, participation in this forced savings plan will ease your financial burdens after retirement.

To Learn More about Pensions. No matter when you plan to retire, it is important that you become familiar with pension issues that affect women. For information, you can write the Pension Rights Center, Dept. WD, 1346 Connecticut Avenue, N.W., Washington, DC 20036. The center publishes an excellent booklet, "A Guide to Understanding Your Pension Plan," for $2.

FACT SHEET: WOMEN AND PENSIONS

What do pension plans provide?

Pension plans provide retirement income to workers who are fully vested in a plan. Payments to pensioners are made monthly, for life, or are provided in the form of a one-time, lump-sum benefit. You collect this lump sum at the time you retire.

What does being vested mean?

You are not entitled to benefits unless you are vested in a pension plan. Being fully vested means that you cannot lose your right to collect benefits if you leave the job voluntarily or involuntarily. Eligibility for full (100 percent) vesting usually occurs after 10 years of service.

Graded vesting means that after 5 years of service you are eligible to receive 25 percent of the money that has been set aside for you, and that you would start to receive this money when you reach retirement age, regardless of where else you work between then and now. For every year you work beyond the first 5, you would receive 5 percent additional benefits. After 10 years, you would be eligible to receive 50 percent, plus an additional 10 percent for each year thereafter. After 15 years of service, you would be 100 percent vested. In other words, with graded vesting, you can receive some retirement protection by being with the company at least 5 years, but it takes longer (15 years as opposed to 10 years) to become fully vested.

With the rule of 45, another pension plan option, an employee can become 50 percent vested if she has worked for the company for at least 5 years and her age and years of service add up to 45. Then each year beyond this, she would have 10 percent additional benefits added on.

What happens if I quit?

If you leave the job prior to becoming vested, you forfeit your eligibility for pension benefits. If your company vests workers only after 10 years, and you work there for 9 years and 11 months, you will not be entitled to benefits when you retire.

How are payments to pensioners determined?

A typical way of determining payments is to take a percentage of your earnings for the last 5 years of covered employment.

Am I covered under my husband's pension plan?

A pension plan belongs to the covered worker, not to his or her spouse. Under most conditions, at the time of retirement monthly payments will be automatically reduced to provide coverage for a surviving spouse in case

of the pensioner's death. If the covered employee decides to receive full monthly benefits and not take a reduction, this will eliminate the "widow's benefit."

What are some of the problems with pensions?

- All workers are not covered.

  Employers are permitted to exclude workers under the age of 25 from coverage, as well as those who begin their employment within 5 years of the company's normal retirement age. This provision of the law allows employers to exclude women during the years when they are most likely to be part of the work force.

- Some categories of workers may be excluded.

  Employers with pension plans do not have to cover every category of worker. Those jobs not likely to be covered are staffed mainly by women (e.g., secretarial positions).

- You could lose accumulated credits for absence from the work force.

  Under both pension plans and Social Security, women are penalized for leaving the work force to take care of family responsibilities. If a worker covered by a pension plan temporarily leaves her job, and the "break-in service" is longer than the time she was employed under the plan, she may lose all accumulated credit toward becoming vested in the plan. For example, a woman who has worked under her plan for 5 years and then leaves the work force for a period of 7 years would probably have to start from scratch in accruing benefits.

  Under the Social Security system, long averaging periods also have a negative impact on women. Benefits are averaged over a lifetime of earnings, with only the lowest 5 years of earnings excluded. In the above example, this woman would have 2 years of zero income averaged into her total when benefits are computed.

- Women's low wages mean that their benefits will be smaller than those of men.

  Under both pension plans and Social Security, benefits are calculated based on average earnings for a certain time period.

- Integrated plans reduce retirement income for small earners.

  If your company has an integrated plan, your employer can subtract the company's contribution to Social Security for you from the amount contributed to your pension plan. If your earnings are low, the pension part of your benefits may amount to very little when you retire. Those who earn less than $10,000 are affected most often.

- You could be denied a widow's benefits.

  You will not get a widow's benefit if you are not married for a full year before your spouse starts getting his pension and also for a full

year before he dies. If your spouse elects to take full monthly payments when he retires, you will not be eligible to collect a survivor's benefit in the event you become a widow. You do not have to be informed of this decision. Also, if your spouse received his pension before the early survivor option, often age 55, you will not receive a benefit if you become widowed.

More than 47 million women now work outside the home. For the 80 percent of these women who are employed in low-paying, low-status jobs, wise money management is a critical survival skill.

Your Money and Your Life is a financial planning course designed to be taught by working women to working women. It creates a comfortable, nonintimidating atmosphere, promotes participatory learning, and counteracts the myth of the "expert." The four sessions in this workshop manual cover topics women need to know, including: budgeting, education for career advancement, child care and retirement planning. Answers important questions about credit, banking procedures, loans, raises, pension plans. Helps women, particularly low-income women, take a big step toward controlling their lives.